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## Lebanese Accord Splits Arab States Into Three Camps

By David B. Ottaway

Washington Post Service

Riyadh — The Arab world has split three ways over the Israeli-Lebanese withdrawal agreement with no likelihood that a consensus will ever be reached.

Both Lebanon and Syria have launched fervid diplomatic campaigns for the support of other Arab leaders.

The Lebanese argue they have given up the least amount possible of their sovereignty in return for an Israeli withdrawal, while the Syrians are dubbing the agreement a sellout and "another Camp David."

Not since the signing of the Camp David accords has the Arab

Lebanon's foreign minister says a final-Lebanese accord could be if it is not applied soon. Page 2.

world been subjected to such diplomatic jostling.

But while a campaign at that time led to the diplomatic and economic isolation of Egypt within the Arab community, the opponents of the Lebanese-Israeli agreement are fewer in number and weaker in strength.

Another Arab League boycott seems out of the question. But Syria could inflict serious economic damage on Lebanon by closing its border to Lebanese trade routes to the Arab world.

The traditional divide between Arab hard-liners and moderates has re-emerged, with Syria, Libya and the Palestine Liberation Organization leading the first camp, and Egypt speaking most loudly in support of Lebanon and the agreement.

And a third bloc has emerged, led by Saudi Arabia. The Saudi Arabians have avoided taking a clear stand on the accord, apparently in hopes of eventually playing a bridging role between Syria and Lebanon.

For its part, Lebanon has dispatched several high-ranking officials to the Arab Gulf states, the Yemen, Egypt and Sudan to seek support for the Syrian rejection. He got a royal welcome from King Fahd and Crown Prince Abdullah.

But unlike the inter-Arab battle over the Camp David accord, neither Iraq nor Algeria has taken a position in the forefront of the hard-liners. Lebanese officials say President Saddam Hussein of Iraq has given a measure of support to the Lebanon-Israeli agreement.

Iraq's stance and Algeria's relative moderation seem certain to strengthen Lebanon's hand. It supports, when the tally is completed, seem likely to include Sudan, Somalia, Oman, Morocco and Tunisia as well as Egypt.

This would appear to rule out any collective action by the Arab League and leave open the door for some kind of mediation.

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not to adhere to the Arab League resolutions "aimed at not exposing its security and safety, or the security and safety of any Arab nation, to dangers."

Precisely what the Saudi Arabians are willing to do is unclear. But analysts doubt King Fahd will do more than try to press President Hafez al-Assad of Syria into meeting with President Anwar Sadat of Lebanon. Saudi Arabia has some leverage over Syria because of its yearly contribution to Damascus of about half a billion dollars, which ostensibly is to help the Syrians as a front-line state against Israel.

One report circulating in Riyadh says Saudi Arabia tried to arrange such a meeting even before the Israeli-Lebanese accords were signed.

But Syria's adamant rejection of the agreement makes it unclear what such a meeting could accomplish. Abd al-Halim Khaddam, the Syrian foreign minister, said in an interview Saturday that Syria was willing to talk to Lebanon only about a complete renegotiation of the agreement.

The agreement has given Israel political and security advantages and privileges that threaten directly Syria's peace, security and future and consequently the peace, security and future of the entire Arab nation," Mr. Khaddam told Radio Monte Carlo. He said Syria would "spare no effort to foil" the agreement.

Syria on Saturday dispatched its information minister, Ahmed Iskander Ahmed, with a message for King Fahd, only two weeks after the visit here of Mr. Assad and Mr. Khaddam for talks about the Israeli-Lebanese accord.

And last week, Moamer Qadafi of Libya sent an envoy, Ahmed Qaddaf-Adem, to try to gain Saudi support for the Syrian rejection. He got a royal welcome from King Fahd and Crown Prince Abdullah.

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PROTEST AT SS REUNION — Police arresting a leftist demonstrator in Bad Hersfeld, West Germany. A riot broke out after demonstrators protesting a reunion of Nazi SS veterans Saturday clashed with neo-Nazis in a parking lot behind the town square. Police said at least five persons were wounded and several arrested.

## Rebels Call Bombing in Pretoria 'Escalation' of War on Apartheid

New York Times Service

NAIROBI — The leader of the African National Congress of South Africa has announced that the car-bomb attack in Pretoria on Friday signaled "an escalation" and a tactical change in his organization's struggle against white minority rule.

At a news conference in Nairobi Saturday night, however, Oliver Tambo, the ANC's leader, declined to claim responsibility on behalf of his organization for the attack, which killed 17 people, among them eight blacks, and wounded 185 at a military intelligence installation in Pretoria.

Mr. Tambo, who is the organization's acting president while its senior figure, Nelson Mandela, is in detention, threw little light on his decision not to take responsibility for the explosion either, but it came close to a tacit

acknowledgment that the group's military arm, known as Umkhonto we Sizwe, or Spear of the Nation, was behind the attack.

The movement's statement appeared to be carefully worded to avoid giving the South African armed forces a pretext for a retaliatory attack on Zambia or other black states where the group's exiled representatives are stationed.

Thus it stressed that the armed struggle was being "carried out

within our country," an emphasis apparently intended to distance the exiles from the attack.

In fact, nearly all known sabotage attacks in South Africa in recent years have been traced to exiles who graduated back into South Africa after military training abroad.

Neither the statement nor Mr. Tambo suggested that the nationalistic goal had shifted to one of including civilians in its catalog of targets.

Mr. Tambo said that until now his organization had concentrated on sabotage attacks against installations and had sought to avoid combat with military personnel. But it was forced to revise its tactics, he said, by Pretoria's commando raids against exiled South Africans in Mozambique in 1981 and in Lesotho in 1982 and by a series of assassinations of figures of the African National Congress.

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July 1983

## Anti-Arms Group Is an Issue in Itself

**Controversy in Britain Reflects Disarmament Drive's Comeback**

By R.W. Apple Jr.

New York Times Service

LONDON — Every day, thousands of members of the Campaign for Nuclear Disarmament knock on doors in all parts of Britain, urging voters to support candidates in the June 9 general election who are committed to immediate British nuclear disarmament.

In some areas, there are more "peace canvassers" working for the group, known as CND, than active party workers.

Their instructions are clear. One of the papers in a bulky kit they receive from their headquarters in London tells them they must not "neglect any opportunity that CND may have as a movement" to stop Prime Minister Margaret Thatcher "from winning a new pro-nuclear majority in the House of Commons."

As a result, the organization itself — as well as Britain's independent nuclear deterrent, the preservation of U.S. bases in Britain and the deployment of intermediate-range cruise missiles here — has become a major issue in the election campaign, which formally began last week with the first opposition party rallies.

"We don't have any candidates of our own, because we wouldn't do well under the British electoral system," said Monsignor Bruce Kent, the organization's general secretary. "We're trying not to play the party game as such, and we have members who belong to Labor, to the Liberals, to the Scottish and Welsh nationalists. But the Conservatives have little to offer

on disarmament, so they see us as anti-Conservative."

Michael Heseltine, the defense secretary in Mrs. Thatcher's government, regularly denounces the organization as extremist, and last week he issued a new blast at its members as dangerous leftists.

Winston Churchill, another Tory spokesman on arms issues, said recently that the group was "stuffed full of communists, Marxists and international socialists."

Mrs. Thatcher has said she "prayed" that Britain would not put its fate in the hands of those who would leave the country defenseless.

In turn, Michael Foot, the Labor leader, has complained about "shameless smears" against the disarmament group, and he has had some support in the press.

The Campaign for Nuclear Disarmament has made a huge comeback under Monsignor Kent, a former tank officer who took over in 1980. Its membership has grown from 3,500 to 56,000, with perhaps 150,000 more in local branches, and its income from \$40,000 a year to \$750,000. A few Communists are active in its leadership, but for the most part it draws from people who would be considered part of the mainstream of leftist and left-center politics.

Mounting concern in Britain about the U.S.-built cruise missiles, which are to be installed at two bases in Britain beginning this winter, has been a major factor in the organization's growth. At the same time, the Labor Party has swung into line with the campaign's ideas.

Monsignor Kent is a Roman Catholic priest. Cardinal Basil Hume, the head of the Roman Catholic Church in England, wrote to him last month to warn him that if the organization seemed to favor one party over others "it would be difficult for a priest to hold responsible office" in the movement. But he left the matter there and did not press for his resignation.

Earlier this month, however, Monsignor Bruno Heim, a Swiss who is the pope's envoy in Britain, wrote a much sterner letter. Those who campaign for one-sided disarmament, he said, are either "useful idiots" blinder idealists or people who are "consciously sharing Soviet aggressiveness and ideology." He added that whichever of the possibilities applied "would have to be judged in individual cases, even that of Bruce Kent."

The letter caused an uproar. Cardinal Hume staged a public show of support for Monsignor Kent at a reception, and aides said that the cardinal was infuriated.

In a sense, the continuing controversy about the organization reflects its success. When it was in

### 3 Polls Show Thatcher Is Leading

United Press International

LONDON — Prime Minister Margaret Thatcher still had a substantial lead in opinion polls Sunday after the first week of election campaigning.

Three opinion polls published in Sunday newspapers gave the Conservative government leads of 9 percent, 13 percent and 17 percent. That would return Mrs. Thatcher to power June 9 with a commanding majority in the House of Commons, pollsters said.

But they cautioned about the large number of undecided voters, around 13 percent in the latest surveys.



SAY CHEESE — Prime Minister Margaret Thatcher samples British cheese during a supermarket visit on a campaign tour of her constituency of Finchley, London.

## Space Shuttle Barred Over Paris

By Paul Lewis

New York Times Service

PARIS — France refused to allow the U.S. space shuttle Enterprise to make a demonstration flight over the center of Paris during its current West European tour, although the British, Belgian, West German and Dutch governments have invited the craft to fly over their capitals.

France maintains a strict ban on flights over its capital for security reasons. Commercial air liners are almost never seen in the Paris skies.

The Enterprise will be shown at the Paris Air Show opening Thursday at Le Bourget Airport outside Paris, and will make regular demonstration flights atop its carrier plane there until the close of the show June 5.

When French aviation officials told their American counterparts Saturday that the Enterprise will not be allowed to fly over Paris, they said the decision was political and had come from the Elysee Palace, according to sources present at the talks. A French government spokesman declined to comment.

The allegation heightened speculation in diplomatic circles that the French government wants to deny the shuttle the spectacular publicity a flight across Paris would bring, because it is an American technological triumph that would compete with the French-built Ariane rocket for contracts to put communications satellites into orbit.

Privately, French officials have been saying for several days that the government would probably turn down the request by the U.S. National Aeronautics and Space Administration because it saw no reason to relax rigid security rules in order to give publicity to an American invention.

The Ariane rocket, which is built by France with help from some other member countries of the European Space Agency, has been plagued by technical troubles.

It is also a technological generation behind the shuttle because it can only be used once, while the Enterprise can carry satellites into space and return to be used again.

The United States wanted to fly the Enterprise piggyback on a modified Boeing 747 along the Paris section of the Seine river on June 1 to celebrate a meeting between NASA Administrator James M. Beggs and Erik Quistgaard, director general of the European Space Agency. The idea, according to NASA, was to draw attention to U.S.-European cooperation on space research.

Last week, French aviation authorities said they wanted to discuss the shuttle's handling characteristics with one of its pilots. NASA officials arranged for Captain Joseph Algranti to fly in from Cologne, assuming that the French wanted to question him about safety procedures before making up their minds whether to allow the overflight.

However, when the U.S. delegation arrived at a meeting Saturday, they were told the French authorities had rejected the proposal.

The Israeli government formally ratified the troop withdrawal agreement with Lebanon on Sunday. The ratification was a procedural step spelled out in the agreement itself.

#### ■ 100 Reported Kidnapped

Lebanese police reported that more than 100 people had been kidnapped by either the rightist Christian or leftist Druze militias in the Israeli-occupied mountains overlooking Beirut. The Associated Press reported from Beirut.

Lebanon's state television reported that at least four kidnapped Christians had been killed. The report was not confirmed by police. The rightist Voice of Lebanon radio station said at least 23 of those kidnapped had been killed.

## Some Opposition Leaders To Meet With Mitterrand

(Continued from Page 1)

Mr. Barre continued. "One shouldn't be looking for alibi and pretexts ... No one should be placing the responsibility of our failure with the United States."

Mr. Giscard d'Estaing acknowledged in his articles that he played a major role in setting up the present system of floating exchange rates. The French attitude contrasts with the welcoming approach of several other European governments. The Enterprise has made demonstration flights over Cologne and Bonn at the invitation of the West German government.

Belgium has requested a flight over Brussels and the Dutch government wants the Enterprise to cover the length of the Dutch coast, passing over several big cities including Amsterdam and The Hague.

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## Centrist Coalition Emerges In U.S. Senate Budget Vote

By Steven V. Roberts  
*New York Times Service*

**WASHINGTON** — The Senate vote for a spending plan that President Ronald Reagan has repeatedly denounced marked the emergence of a centrist, bipartisan coalition that is no longer willing to follow his lead on fiscal matters.

Mr. Reagan probably commands enough support in both houses to sustain the vetoes he is likely to invoke on spending and tax bills later this year, but now he apparently lacks the backing to push through his own economic program.

His current legislative approach is described as "damage control" by Representative Phil Gramm, the Texas Republican who switched from the Democratic Party.

Robert C. Byrd of West Virginia, the Senate Democratic leader, called the budget vote Thursday night "a victory for moderate Republicans and Democrats who believe the deficit ought to be lower." Senator Lawton Chiles of Florida, the Budget Committee's ranking Democrat, added: "The president can't completely have his way in the U.S. Senate now; he does need to consult with both sides."

For the first two years of Mr. Reagan's term, the president did have his own way in the Senate, and most of the time in the entire Congress. Republicans were euphoric over their 1980 victory and backed Mr. Reagan's blueprint for economic revival with strict party discipline.

That control began to weaken last fall, when the lawmakers forced the administration to accept a tax increase of almost \$100 billion, in addition to a higher tax on gasoline. A further loss of Mr. Reagan's authority was apparent Thursday night when the Senate defeated his budget three times and then adopted a spending plan that Mr. Reagan has repeatedly denounced. Twenty-one Republicans

broke ranks and joined 29 Democrats to pass the measure.

The splits in Republican ranks are harder to heal these days because Mr. Reagan has lost some of hisuster and lawmakers are no longer so politically afraid of him. Moreover, Howard H. Baker Jr., the Senate majority leader, has lost some of his influence by his retirement.

At the same time, both these Republican leaders have a tougher job to do, and one of their main problems is the divergent views within their party over the economy. Mr. Reagan and his conservative fol-

### NEWS ANALYSIS

lowers have been hewing to a theory that assumes that by cutting taxes Congress can stimulate economic recovery and increase federal revenues enough to reduce the deficit. They also argue that reduced taxes provide an incentive to cut spending.

Party moderates argue that it is physically impossible to make further spending cuts and insist that unless taxes are raised to reduce the deficit, the government will borrow more money, drive interest rates up and choke off the recovery.

Accordingly, the Republican consensus of the last two years has been shattered.

There is also a geographical bias to the dispute. Many of the moderates who favor stronger government intervention in the economy come from Northern states that remain mired in recession. The staunchest of Mr. Reagan's supporters are from Sun Belt states where recovery seems promising.

Moreover, the current Republicans split reflects a long-standing disagreement over the proper role of government. Mr. Reagan's supporters believe in smaller government and have advocated reduced taxes as a way of eliminating social welfare programs.

The moderates generally endorse a more active government, and think that extra revenues are needed to help finance increased public efforts in such fields as health, education and job training. As a result, they are eager to end, and even reverse, the budget cutting of the last two years.

Republicans also are fractured by differing political judgments on the economy and deficits. Many lawmakers believe Mr. Reagan's recent attacks on Congress represent a threat to his next campaign.

Many conservative Republicans agree with Mr. Reagan that the best route next year is to attack government spending, to vote against all tax increases and to gamble that the recovery will persist in spite of deficits.

However, many moderates who will be up for election next year are not ready to place all their bets on Mr. Reagan's program. Their anxiety level is heightened by several colleagues who barely survived in 1982 and have come back to the Senate preaching a doctrine of political moderation and indepen-

dence.

Another important source of unrest among Republicans relates to what has been called institutional imperatives. Like presidents before him, Mr. Reagan resents the way Congress has assumed greater control over the budget process. Mr. Reagan is not inclined to strike a compromise unless he can dominate the process, as he has not been able to do this year. To many Republican legislators, it appears that the president would rather acquire a political issue in the budget fight than a practical solution.

A number of Republicans finally voted for the budget Thursday because they were afraid to risk Mr. Reagan's lead and risk the collapse of the legislative process.

"The budget process," said Senator Ted Stevens of Alaska, the Republican whip, "was more important than the continuing stalemate."



**COMMENCEMENT** — President Ronald Reagan shakes hands with new graduates of Seton Hall University in South Orange, New Jersey. Mr. Reagan, in his commencement speech Saturday at Seton Hall, a private Catholic institution, criticized U.S. public schools for "not doing the job they should" and said one way to improve them would be to pay teachers according to merit rather than seniority.

## Glenn Is Making Sizable Inroads In Mondale Support, Polls Show

By Martin Schram  
*Washington Post Service*

**WASHINGTON** — Senator John Glenn, Democrat of Ohio, who first rose to public acclaim in a rocket, has now soared in the race for the Democratic presidential nomination.

Three nationwide public opinion surveys have recorded significant gains for Mr. Glenn in the past month, and for now, the Democratic presidential contest has become a two-man race: former Vice President Walter F. Mondale vs. Mr. Glenn.

A Gallup Poll released Sunday shows that Mr. Mondale, once far and away the front-runner, held a modest lead of 29 percent to 23 percent in a survey taken April 29 to May 2 of 695 registered Democrats. In mid-March, Mr. Mondale commanded a lead of 32 percent to 13 percent.

No other Democrat was even close to the front-runners: Senator Gary Hart of Colorado was a distant third with 4 percent; Senator Alan Cranston of California was next with 3 percent; 10 percent named other candidates; and 31 percent responded "none" or "don't know."

The poll had a margin for error of 5 percentage points.

Perhaps the best news for Mr. Glenn was in trials against President Ronald Reagan, where Mr. Glenn scored strongly with independent voters. Mr. Mondale led Mr. Reagan by 6 points among all voters, 49 percent to 43 percent. But Mr. Glenn led the president by 17 points, 54 percent to 37 percent. The difference was among independent voters. They preferred Mr. Glenn over Mr. Mondale, 52 percent to 38 percent, but they picked Mr. Glenn over Mr. Reagan, 49 percent to 42 percent.

The preferences shown in the latest Gallup Poll are reflected in other recent surveys. A poll taken in late April by Penn-Schoen Associates for David Garth, a political consultant, showed that Mr. Glenn was gaining on Mr. Mondale, trailing him by 36 percent to 24 percent. A Los Angeles Times poll last week showed Mr. Glenn ahead of Mr. Mondale, 28 percent to 26 percent. But advisers in all camps, and

other pollsters tended to discount that result because a comparatively small sample of 442 Democrats was used.

(A Washington Post-ABC News Poll taken May 11-15 did not sur-

vey preferences for the Democratic nomination, but it did find that Mr. Glenn and Mr. Reagan were tied at 44 percent, while Mr. Reagan beat Mr. Mondale by 47 percent to 42 percent. There was little change from the previous month's survey.)

Strategists for Mr. Glenn expect to make use of the polls at campaign fund-raisers to bolster Mr. Glenn's claim that he has the best chance of taking back the White House for the Democrats.

Mr. Glenn's advisers have no quick answers to explain their candidate's sudden rise. They point out that it began after the senator formally announced his candidacy on April 21. Mr. Glenn's announcement received the same amount of television coverage as other candidates' announcements, they said, but it may have made more of an impression because of Mr. Glenn's fame as an astronaut.

The independents who vote in Democratic primaries are concerned about three issues: the nuclear weapons, women's issues, and the environment.

"Our gains come from people

who were previously not willing to declare for Mr. Mondale but hadn't really thought of Mr.

Glenn," said Harrison Hickman, a member of the William R. Hamilton firm, which has been hired to be Mr. Glenn's private polling.

"They knew him as an astronaut, and now they're beginning to consider him as a potential president."

(A Washington Post-ABC News Poll taken May 11-15 did not sur-

vey preferences for the Democratic nomination, but it did find that Mr. Glenn and Mr. Reagan were tied at 44 percent, while Mr. Reagan beat Mr. Mondale by 47 percent to 42 percent. There was little change from the previous month's survey.)

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## Board Chief Suspends Director of NAACP

By Milton Coleman  
*Washington Post Service*

**WASHINGTON** — The chairman of the board of the National Association for the Advancement of Colored People, Margaret Bush Wilson, has suspended Executive Director Benjamin L. Hooks following a bitter showdown that climaxed a simmering feud over administration, credibility, direction and control of the oldest U.S. civil rights organization.

The abrupt and unilateral suspension with pay of Mr. Hooks, 58, a Baptist minister from Memphis who has held the \$75,000-a-year position since 1976, was announced Friday by the organization's national headquarters.

Thomas L. Atkins, a St. Louis lawyer, was reportedly out of town. Mr. Atkins did not return several telephone calls. Mr. Hooks told The Associated Press by telephone from his office, "I can say this — I'm functioning."

Mr. Hooks, who served on the Federal Communications Commission before replacing Roy Wilkins as NAACP executive director, has had strained relations with Mrs. Wilson, several sources said, because she believes that the staff should carry out directives of the 64-member board — something that was not always the case under Mr. Wilkins.

She proposed a wide-ranging crash program to "get a handle on the administrative and operational issues of the association" with a view to hiring an administrator to be "responsible for the day-to-day operations of the association" — apparently a deputy executive director.

A committee was established to follow up on her assertions. When discussion on the issue began at the end of the May 14 Chicago meeting, sources said, Mr. Hooks began shouting at Mrs. Wilson.

"He blew up," one source said. Mr. Hooks was being suspended, the source said, because it is felt that he challenged the authority of the chairman of the board and the executive committee... publicly in a formal meeting in front of the board members and the staff."

Several board members, surprised by the suspension, were trying over the weekend to call a May 28 special meeting, probably in New York.

Kelly M. Alexander Sr., national vice chairman and head of the

North Carolina NAACP, said he had heard about the suspension, adding: "But the national board of directors of the NAACP has not met yet and the board of directors are the ones who have the authority to do that. When the board meets, it's going to deal with whatever's going around."

Edward A. Hailes, president of the District of Columbia NAACP and one of six national vice presidents, said, "I can't understand this drastic action. I'm a vice president of this organization and I want to know what's going on. It's poor judgment to take that kind of action."

Mrs. Wilson, a St. Louis lawyer, was reportedly out of town. Mr. Atkins did not return several telephone calls. Mr. Hooks told The Associated Press by telephone from his office, "I can say this — I'm functioning."

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United Press International  
SAVONA, Italy — A chain collision involving more than 30 vehicles in a superhighway tunnel Saturday killed eight persons and injured about two dozen, the police reported.

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## Reagan Statement Denounces Iran For Planned Executions of Baha'i's

By Bernard Weisbrot  
*New York Times Service*

**WASHINGTON** — President Ronald Reagan issued a statement Sunday night saying the United States is "alarmed and dismayed" at the persecution of the Baha'i faith in Iran and urging the government there to halt the planned execution of a group of Baha'i leaders.

"I strongly urge other world leaders to join me in an appeal to the Ayatollah Khomeini and the rest of Iran's leadership not to implement the sentences that have been pronounced on these innocent people," said the presidential statement, which was made available on Saturday.

White House officials said the apparent increase in persecutions of the Baha'i minority in Iran was "a serious issue with us, an important issue now." At least 150 Baha'i men and women have reportedly been hanged or shot by Ayatollah Ruhollah Khomeini's government since it came to power in 1979.

Although the Baha'i population in Iran is relatively small — between 300,000 and 400,000 — the Khomeini government has singled them out as adherents of a heretic Islamic sect.

The Baha'i have no clergy and

uphold the divine origin of all major religions, including Islam. The religion shuns violence, abstains from partisan politics, and espouses the "eradication of prejudices of race, creed, class, nationality, and sex."

The faith claims adherents in 173 countries.

The Baha'i have been the scapegoats of Persian and Iranian society for generations; an estimated 20,000 Baha'i have been killed in Iran in the last 100 years, according to Baha'i officials.

The statement was prompted, according to administration officials, by several congressional resolutions about the Baha'i, growing State Department concern about the treatment of the minority, and the highly vocal and organized Baha'i in the United States, who number 100,000.

Mr. Reagan, in his statement, said the Iranian government had sentenced 22 members of the Baha'i faith to death. Firooz Kazemzadeh said Baha'i officials have estimated that 15,000 to 20,000 have fled Iran in the past few years.

Mr. Kazemzadeh said the presidential statement was being made to coincide with the anniversary of the founding of the Baha'i faith on May 23, 1844. On that date a merchant in the Persian city of Shiraz, Ali Muhammad, told a Moslem clergyman that he was divinely inspired to create the new faith.

Mr. Kazemzadeh added: "In Islam there is a belief that Mohammed was the last of the prophets and the dialogue between man and God ceases with Mohammed. Therefore, whereas Christianity and Judaism are considered legitimate religions, the Baha'i faith, which originated after Islam, cannot be considered a legitimate religion in the view of the Shiate clerics."

They speak of his energy and the ambition that seemed to survive despite the pain of a wretched injury that failed to respond to medical treatment and was beginning to deprive him of the use of his right hand.

Barely out of law school, Mr. Breindel was a well-respected member of Washington's neo-conservative circles, and his articles on foreign affairs appeared in a wide spectrum of magazines and journals.

## Republicans Urged to Steal Show

Washington Post Service

**WASHINGTON** — Frank Fahrenkopf, the Republican national chairman, has written to thousands of party members urging them to call in to the Democrats' nationwide fund-raising telethon next weekend. Charles T. Manatt, the Democratic national chairman, responded by calling Edward M. Kennedy and former Vice President Walter F. Mondale to the event by jamming the phone lines.

"Urgent-Urgent," Mr. Fahrenkopf's cablegram began. "Urgently need your help to combat Democrat smear campaign aimed at President Reagan and entire Republican Party."

The cablegram warned that the telethon would use "half-truths, slanted information and distorted man-on-the-street interviews" to attack the president and Republicans in Congress. It also said that "Hollywood left-wingers" and "liberal kingpins" such as Senator Edward M. Kennedy and former Vice President Walter F. Mondale would appear.

The Democratic Party will conduct the 17-hour telethon on the NBC television network Friday and Saturday. The event will include entertainers, politicians, and partisan commercials critical of Reagan policies.

news, ranging from The Wall Street Journal to Rolling Stone magazine. To Senator Moynihan, who hired Mr. Breindel for the intelligence committee, the arrest was "personal tragedy."

"He's a golden youth. He's very brilliant. He's full of charm," said Norman Podhoretz, editor in chief of Commentary. "It seems so outlandish."

His friends paint a portrait of an outgoing, intense young man whose sense of political commitment and dedication was forged in his parents' experiences as survivors of the Holocaust.

They speak of his energy and the

ambition that seemed to survive despite the pain of a wretched injury that failed to respond to medical treatment and was beginning to deprive him of the use of his right hand.

After the arrest, Neal Kozodoy, executive editor of Commentary, came from New York to be with Mr. Breindel. Mr. Kozodoy said Mr. Breindel told him that he had developed a dependence on prescription painkillers and had tried without success to break the dependence.

Mr. Kozodoy said Mr. Breindel did not explain how he had met Winston B. Prude, a former Justice Department lawyer with whom he was arrested. Police arranged the alleged drug purchase after a tip from an informant. Both Mr. Prude and Mr. Breindel were released on \$5,000 bond.

In their long talks last week, Mr. Kozodoy said Mr. Breindel refused to blame his drug dependence on his medical condition. "He's not anxious to excuse it," he said. "He wants to confront it."

# Herald Tribune

INTERNATIONAL  
Published With The New York Times and The Washington Post

## A Year in Lebanon

It has been a year since the Israelis invaded Lebanon, and there they sit, just south of the U.S. Marines. Having humiliated Syria and the Soviets on the way in, they now depend on Syria and the Soviets to let them out.

Prime Minister Begin's avowed purpose — "peace for Galilee" from PLO rockets — has been achieved. That peace was not seriously threatened before last June's attack. It was, in any case, militarily guaranteed after the first five days of battle, in which Israel seized its buffer zone with a loss of only 60 men. Mr. Begin's rewards for pushing on to Beirut, at a cost of 425 more Israeli dead and thousands of PLO and civilian casualties, are less obvious.

The Israelis first strained and have now partly repaired relations with the United States. They claimed but partly redeemed their reputation for honor and humanity. And they implanted in Beirut a Lebanese government that favors but cannot execute a fair peace. Although they have violently shaken the Lebanon board and scattered some PLO pawns, they have not dislodged the major pieces.

Perhaps American diplomacy can still gain a Syrian-Soviet retreat so that the Lebanese can rebuild their society behind a shield of American and other troops. But that turns out to be a project beyond Israel's capacity.

The papers signed with Lebanon last week merely ratify ambiguity. They make it appear that a second Arab government has agreed to move toward peace with Israel without guaranteeing that government's survival against radical Arab and Soviet pressure. And if the Syrians refuse to withdraw, the agreements merely provide a cover for Israel's indefinite occupation of southern Lebanon.

The tentative nature of these results goes far to explain Mr. Begin's tenacity in negotiating them. This was Israel's first optional war. It

— THE NEW YORK TIMES.

## A Temptation in Chile

When Chile was booming, some thought it a good advertisement for authoritarianism-communism. The authoritarianism survives; Troops swarmed through a Santiago shanty town in typical fashion recently and seized 1,000 alleged troublemakers. But there is no more talk about economic miracles.

The country is sinking, and a regime that took credit for a boom now tries to duck the blame for bust.

President Pinochet seems to be primarily the victim of excessive expectations. Broke from 1977 to 1981 by annual growth of 8 percent, Chile borrowed too much too soon. Now it is stuck with \$18 billion in foreign debt at high interest. With unemployment climbing past 20 percent, the regime is being challenged in the streets. Demonstrators shout, "Work, bread, Justice and liberty!" The middle classes, pinched by devaluation and a doubling of tariffs, have moved away from Gen. Pinochet and now denounce him as incompetent. Chileans can also see that hard times in Argentina, Uruguay and Brazil are not so far impeding a return to democracy, whereas Gen. Pino-

— THE NEW YORK TIMES.

## Following the Guide

Millions of Americans who read "Fielding's Travel Guide to Europe" could easily have felt they knew Temple Fielding personally. The breezy, optimistic, quintessentially American extrovert, dead now at age 69, came through in his sprightly, exclamation-dotted prose. His guide, first published in 1948, was not to everyone's taste. It skimped on cathedrals and monuments and dwelled on accommodations, telling you where you could find bacon and eggs as well as native cuisine. It told a generation of new, eager but uncertain American tourists exactly what they wanted to know.

Like many commercial successes, Mr. Fielding's product was based on a single brilliant insight: that millions of Americans would travel to Europe after World War II and would want many of the comforts of home. "Europe was a jungle to 'good-hearted, well-meaning people who didn't know where they were going or what they were going to do when they got there," Mr. Fielding said. "So

— THE WASHINGTON POST.

## Other Opinion

### Why Sakharov Stays Put

In Moscow the authorities finally ended speculation that Dr. Sakharov, the scientist who has become the symbol of domestic defiance to the Soviet polity state, might one day be allowed to emigrate.

He would never, a brief official announcement said, be permitted to leave the Soviet Union. The excuse given was that he had too

— The Sunday Telegraph (London).

### FROM OUR MAY 23 PAGES, 75 AND 50 YEARS AGO

#### 1908: Debts Worry Japanese

TOKIO — The "Asahi" quotes a high official of the Finance Department, whom it does not name, as stating that the Japanese national debt, including the bonds for the railways recently nationalized, is expected to attain a total within a few years of 2,700,000,000 yen. He said that the Japanese never before had to face so serious a problem. Baron Takahashi, the Vice-Governor of the Bank of Japan, places the responsibility of the failure to float the additional 40,000,000 yen loan for the South Manchurian railway at the door of Britain interested in the projected line from Hamamatsu to Fukumen, which Japan forbade. It is claimed that the British government approves of Japan's attitude.

#### 1933: America Backs Europe

GENEVA — Norman Davis today laid before the Disarmament Conference the provisions for security which Europe has demanded from the United States throughout the 13 years since the Senate ended hopes of American membership of the League of Nations. The American delegate made the following points: The United States would consult with other powers when war threatens; pronounced neutrality dead; proposed that aggression should eventually be the presence of armed forces on foreign soil; accepted "automatic, effective and continuous" supervision of armaments. After warning against rearmament, Davis added that "In the long run security can best be achieved through controlled disarmament."

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## Seeing the Kremlin: Political Vision . . .

By Dominique Moïsi

**PARIS** — With the Williamsburg conference in May and the Atlantic alliance meeting in Paris in June, we are entering a new phase of economic and politico-military summity. In both settings the West will appear divided over economic and military issues at a time when it should above all present a united political front and a common strategy vis-à-vis the Soviet Union.

Instead of engaging in futile and divisive controversies over the nature of Soviet power, statesmen on both sides of the Atlantic ought to read, or reread, an essay written in 1947 by George Keman on the sources of Soviet conduct. It is precisely the mixture of ideology and traditional Russian sense of insecurity and expansionism that makes for the particular character of Soviet foreign policy. To emphasize one dimension over the other is to miss the essential factor: the interaction between the two.

The Reagan administration has chosen to interpret Soviet policy in the most ideological manner. But if you define the adversary as an absolute evil — whatever the elements of truth in that interpretation — then how do you justify dialogue with the Soviet Union? You do not compromise with evil.

On the other hand, Europeans, keen to defend the benefits of détente, tended to minimize the ideological component. Former Chancellor Helmut Schmidt — expressing a basic tradition of European policy, despite Mrs. Thatcher's and President Mitterrand's speeches — recently described Soviet policy as 75-percent Russian and 25-percent communist, an interpretation Charles de Gaulle would probably have supported.

The danger in such an approach is that it puts the West in a structurally weak negotiating position. The negotiating process, by its very nature, tends to create the illusion of a world ideologically and culturally homogeneous, when in fact it is divided. Henry Kissinger, in his search for the restoration of a world order, dreamed of recreating the conditions of the 19th-century balance of power. He could only fail. The Soviet Union is not the Habsburg or Romanov empire.

The intentions of a totalitarian regime are by nature difficult to assess. Suffice it to say that capabilities create intentions, and a balance of power is therefore an absolute must. In an atomic age the Soviet Union does not and cannot want

war, but it cannot want stability, either, without losing its legitimacy.

If the formula "victory without war" best describes Soviet intentions, it has clear implications for the West. If the threat is of a political nature, the answer must also be political. The lessons of Clausewitz seem to have been forgotten by those who govern the West.

The Soviet Union's search for strategic superiority in Europe is more psycho-political than purely military. The Euromissile quarrel is ultimately a test more of will than of strength. By emphasizing the military aspect of the NATO's 1979 missile deployment decision, Western governments — and the U.S. administration in particular — have weakened the domestic consensus on which their policy was based.

In the battle for the minds of the

Europeans, Western governments should not get lost in a sea of technicalities over missiles. They should stress the values at stake and the reasons why deterrence and defense are needed in the first place; to protect a democratic system whose principles we deem superior. Our democracies should be able to resist the pressures of misguided "pacifist" minorities who refuse to distinguish between the superpowers.

Pessimism, self-flagellation and exchanges of recriminations are popular these days on both sides of the Atlantic. Since the West German elections, though, time may be again on the Western side.

The new Andropov proposals accentuate the pressures on France and Britain, whose national nuclear forces are once more singled out. They also show that the Soviet

Union feels the tide may be turning.

Moscow has lost a major battle by

engaging somewhat lightly in the West German elections. The

West should consolidate its advan-

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Surely, although it is an es-

sential and necessary element of

diplomacy, it is not a panacea. In par-

ticular, it cannot replace the search for

substantive agreement. The West

needs dramatic, media-covered en-

counters less than carefully thought-out political vision.

The writer, associate director of the

Institut Français des Relations Internationales and editor of *Politique Étrangère*, contributed this article to the *International Herald Tribune*.

## ... or Glimpses in a Nightmare?

By Stephen Rosenfeld

WASHINGTON — A haunting

warning comes from George F. Kennan, 79 now — a driven, concentrated man of an increasing

ideological component.

Former Chancellor Helmut Schmidt — expressing a basic tradition of European policy, despite Mrs. Thatcher's and President Mitterrand's speeches — recently described Soviet policy as 75-percent Russian and 25-percent communist, an interpretation Charles de Gaulle would probably have supported.

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substantive agreement. The West

needs dramatic, media-covered en-

counters less than carefully thought-out political vision.

The writer, associate director of the

Institut Français des Relations Internationales and editor of *Politique Étrangère*, contributed this article to the *International Herald Tribune*.



## When Even the President Takes the Easy Way

By Flora Lewis

LOS ANGELES — At his press conference last week President Reagan praised the report of the National Commission on Excellence in Education as "masterful." But he seemed to have read it selectively.

It does, as he noted approvingly, urge more hours of schooling a year, more homework, and renewed emphasis on basic subjects. However, it also deplores the low pay and low status given the teaching profession, no longer able to compete with the private market for the most qualified graduates.

The standards of teacher training have declined accordingly, to the point where the commission said they put Americans "at risk."

This grave deterioration, Mr. Reagan said, has developed in a decade when federal spending on education grew 20-fold. He suggested that "federal intervention" was the cause of decay. He wants to cut spending more because "you can't solve the problem by throwing money at it."

That is not the commission's point.

It called on "citizens to provide the financial support necessary to accomplish" recommended reforms. It said, "Excellence costs. But in the long run mediocrity costs far more."

It said, "The federal government has the primary responsibility to identify the national interest in education," although state and local officials have primary responsibility for financing and running schools.

Some things the commission hinted at but did not say directly were even more important. One of these was implied in its plea for leadership in restoring a dedication to quality in schools. Put bluntly, there has been a loss of respect for intellect, for learning as an enrichment in itself without regard for market value.

This is the season of commencements around America. It is not surprising that graduates worry mostly about finding jobs. President Reagan's insistence on the free-market measure reinforces the idea that the purpose of education is how much you can make as a result.

He spoke at some length about the insanity of courses in "cheerleading" and "bachelor living," but not at all about the pursuit of knowledge for the joy of it. When a money test is made so paramount, the sense of sacrifice is inevitably degraded.

Soviet troops moved into Lithuania in June 1940. Elections were organized a month later and the elected Diet immediately asked to become part of the U.S.S.R.

Soviet troops moved into Lithuania in June 1940. Elections were organized a month later and the elected Diet immediately asked to become part of the U.S.S.R.

Gajauskas served every minute of

those 25 years but found, when he</

## Pinochet Rejects Demands For a Return to Democracy

By Juan de Onis  
*International Herald Tribune*

SANTIAGO — President Augusto Pinochet has rejected the demands of leaders of a broad opposition movement in Chile that he shorten his presidential term and call elections. Union leaders subsequently announced plans to continue the pressure on the military regime.

General Pinochet's decision follows the strongest outburst of dissent in nearly 10 years, which climaxed May 11 in a national day of protest that left two persons dead and more than 300 under arrest. The Chilean leader blamed the unrest on an "international plot" grided by the Soviet Union to bring down the government.

The president made his comments Thursday in a closed meeting with cabinet members and the leaders of the three military branches. But he clearly intended the remarks as a reply to political and union forces that have criticized his authoritarian rule. Filmed excerpts from the talk were broadcast Friday on national television.

"There are some people who have the crazy idea that there

should be a speedup in the constitutional process being conducted by the government. To them I say no," the president said. The constitution, which was approved by a controversial plebiscite in 1980, extends General Pinochet's presidential term until 1989, at which time a return to democracy is envisaged.

The only concession offered by General Pinochet in a 25-minute denunciation of "full-fledged" politicians, "brazen" labor leaders and Soviet-inspired plotters, was a proposal to meet with business and labor leaders to hear union grievances over restrictive labor laws.

A meeting of union leaders, representatives of the national lawyers association and other professional groups has been called for Monday to organize legal and political backing for those arrested during and after the May 11 demonstrations.

The recent protests stem largely from frustration over the repressive conditions under military rule, but have been sharpened by public frustration over the severe economic crisis facing the country.

### Unions Form National Group

Sixty labor leaders claiming to represent most union members in Chile have formed a National Command to work for "the re-establishment of democracy and the free exercise of labor rights." The Associated Press reported Saturday from Santiago. It said the leaders called for another national day of protest.

A spokesman for the national grouping, Sergio Barriga, gave reporters a written statement saying the May 11 demonstrations "made evident the deep discontent over the grave economic, social, moral and political crisis the country suffers."

The statement accused the government of resorting to "threats of repression and persecution" when what was needed was "calm and objective analysis."

Mr. Barriga declined to comment on General Pinochet's offer to meet with union leaders and businessmen about possible changes in labor law. A 1979 decree limits strikes to 60 days and collective bargaining to the factory level.

## Art Historian Kenneth Clark Dies

By John Russell  
*New York Times Service*

NEW YORK — Kenneth Clark, 79, art historian, museum director, author and narrator of the television series "Civilization" and for many years a pre-eminent figure in British cultural life, died Saturday in a nursing home in Hythe, England, after a short illness.

Though best known throughout the world for "Civilization" — the most successful television series of its kind, and a pioneer achievement in its time — Lord Clark left his mark not only on the art world in many of its ramifications but on the concept of governmental patronage and the development of opera, ballet and theater in Britain.

He was knighted in 1938 for his services to art and was made a life peer, becoming Baron Clark, in 1969.

Kenneth Mackenzie Clark was born on July 13, 1903, to Kenneth Mackenzie Clark and Margaret Alice McArthur Clark.

The family owned a cotton-thread business that yielded a very substantial income. The young Clark was educated at Winchester School and Trinity College, Oxford. After graduation he worked for two years in Florence with Bernard Berenson, the most celebrated art historian of the day.

At age 28 he became keeper of fine art at the Ashmolean Museum in Oxford, and at 30 he became director of the National Gallery in London. In the same year he was appointed surveyor of the king's pictures, with direct responsibility for the thousands of paintings and drawings that are to be found in Buckingham Palace, Windsor Castle, Hampton Court and other royal establishments.

In 1929, he published "The Gothic Revival," a catalogue of Leonardo's drawings at Windsor Castle in 1935 and a concise general study of Leonardo in 1939.

In 1938, he produced "100 Details in the National Gallery," a work of popularization that was widely enjoyed and no less widely copied.

After being knighted in 1938, Sir Kenneth worked from 1939 to 1941 in the Ministry of Information, where he established a roster of official war artists.

In 1945 he resigned from the directorship of the National Gallery to write, lecture and study.

As Slade professor of Fine Art at Oxford from 1946-50 he produced lectures that were published as "Landscape Into Art." Over the next quarter-century, he wrote "Piero della Francesca" (1951), "The Nude" (1955), "Renaissance and the Italian Renaissance" (1966) and "The Drawings of Botticelli for Dante's Divine Comedy" (1976).

He also wrote two volumes of autobiography, "Another Part of the Wood," published in 1974, and "The Other Half," in 1977.

Eager to reach a larger audience and hopeful of promoting direct government patronage of the arts, he accepted such major appointments as the chairmanship of the Arts Council of Great Britain, from 1953 to 1960, and of the Independent Television Authority, from 1954 to 1957.

He was also very active in the affairs of the Royal Opera House, Covent Garden and the National Theater.

While associated with the National Theater he became aware of the immense and, at the time, unrealized potential of television as an educational force. After leaving the Independent Television Authority, he decided to produce films of art, that would both instruct and delight a popular audience.

This was the spirit in which "Civilization" was made for BBC Television, in 1969.

Though greeted with caution by some specialists, "Civilization" soon proved to be a great success in Britain and an even greater success in the United States, where it was shown repeatedly both on public television and in museums.

As a survey of human achievement in architecture, music and the fine arts, "Civilization" did a remarkable job of popularization, one that was no less successful in book form.

Mr. Clark made it known some years ago that he intended to bequeath many of the most important books in his personal library to the Pierpoint Morgan Library in New York.

"During the last 50 years the United States has been infinitely generous to Great Britain," he said. "They have not only saved us from extinction in two wars, but they have saved buildings and books that mean much to us."

"As far as I know, the movement has been all one way," he added. "My offer to the Morgan Library is small, a very small sign of recognition of what we owe to the United States."

Mr. Clark was married twice. By his first wife, the former Elizabeth Martin, who died in 1976, he had two sons and a daughter.

In 1977, he married Nolwenn de Jaméz-Rice, who survives him.

Eric Hoffer

fit for students, but rather "whether many of the students are fit for universities."

He accused intellectuals of believing that they "have a God-given right to direct and shape events" and of seeking to manipulate people.

Mr. Hoffer's other books were "The Passionate State of Mind" in 1955, "The Ordeal of Change" in 1963, "Temper of Our Time" in 1967, "Working and Thinking on the Waterfront" in 1969, "First Things, Last Things" in 1970, "Reflections on the Human Condition" in 1972, "In Our Time" in 1976 and "Before the Sabbath" in 1979.

In 1967, Mr. Hoffer retired from the docks and three years later he abruptly withdrew from public life.

"Any man can ride a train," he said. "Only a wise man knows when to get off."

**Other deaths:**

Whitney North Seymour, 82, assistant U.S. solicitor general during the Hoover administration and a lifetime champion of civil rights, died Saturday in New York.

Alexander Zaitsev, 24, the Soviet Union's best-known Alpine skier, Thursday in an automobile accident near Moscow. In 1981, he placed third in downhill skiing in World Cup competition.

In 1977, he married Nolwenn de Jaméz-Rice, who survives him.

## LETTERS TO THE EDITOR

### Politics, Substance

Regarding "Glenn Overtakes Mondale in Poll" (IHT, May 16):

M.J. SIENKO  
Vienna

### The Bishops on War

At about the time the American Catholic bishops issued their pacifist manifesto, the pope in addressing a group of scientists referred to the error of church authorities in condemning Galileo for holding that Earth rotates around the sun. The pope said that the erroneous inclusion by those ecclesiastics of this issue within their moral pronouncements stemmed from their naivete concerning the subject matter.

The same kind of naivete seems to have afflicted the American bishops in their conclusion that the existence of nuclear arms changes

the principles of perennial moral issues regarding war. They seemed to have been unaware, for example, that history reports that the Thirty Years War of 1618-48 destroyed two-thirds of the population of Germany. There is a need for greater analysis as to whether increasingly powerful weapons makes any essential difference as to the ever inherent horror of war.

JOHN CRABE  
Ferney-Voltaire, France

**About 'Sovietophobia'**

The military programs of the Reagan administration may well be subject to criticism as to their concept, size, cost, effectiveness and timing. However, to see them as a pathological manifestation of "Sovietophobia" is invalid and dangerous because it ignores the long

record of Soviet aggression and expansion since the beginning of World War II. World domination by Soviet communism is indeed, as Prof. Stephen F. Cohen has written (IHT, March 26), a "longstanding and loudly proclaimed Soviet goal."

But ignoring or trying to explain away aggression is the very essence of appeasement. Politicians and intellectuals who ignore Soviet aggression are very properly and accurately subject to charges of aping and of worse.

ROBERT KLABER  
London

### Israel in Lebanon

We all feel sorry for the destruction of the U.S. Embassy in Beirut and the loss of many innocent lives. One more vicious and cowardly act of the PLO in a long

list. One more act by which Yuri Andropov tests President Reagan on just how far he is ready to go.

No doubt it was a mistake to prevent the Israelis from taking West Beirut. Had they been allowed to do so the U.S. Embassy would still be there and many lives would have been spared.

MATI ALON  
Jerusalem

If Israel's purpose in invading Lebanon, intimidating its popula-

tion and fomenting unrest in the areas under its control was only to secure Israeli borders and negotiate an early departure, what is it still doing in Lebanon?

FADIA WEHRE  
Beirut

**The Wrong Balm**

Regarding "For Dr. Kingsley, a Palm Greased With Fortune" (IHT, May 6) by Debra Weimer:

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

DON C. YAGER  
Seeb, Oman



## Thousands Protest in Argentina

Above, Adolfo Pérez Esquivel, with his son Leonardo, right, waving to protesters during Friday's rally in Buenos Aires. Below, marchers fill the streets on their way to the rally at the National Congress.



## Indiana Town Given New Life in Renewal Led by Businessmen

By Andrew H. Malcolm  
*New York Times Service*

WARSAW, Indiana — The view from Bob Goley's bank office window was a common sight in many Midwestern small towns: the village square, the old county courthouse, the crumbling sidewalk, the decaying century-old brick building whose broken windows made flyways for scores of pigeons.

"Things did not look good for downtown," said Mr. Goley, executive vice president of the First National Bank of Warsaw. But now, nearly a decade later, despite high interest rates, high unemployment and low morale, things are looking up here, thanks to a unusual combination of foresight, private initiative, tax breaks and determination, not to forget Frank Saemann's personal fortune.

"It has been a slow, slow, very slow process," said Deborah Wiggins, executive vice president of the Greater Warsaw Chamber of Commerce, who moved here four years ago.

That is just about half the time it has taken to get the old brick Crownover Building refurbished and reborn as the Saemann Building.

But that development alone is big news in this city of 10,000 people.

Most small-town downtowns across the Midwest have a similar block, the one that used to have a hardware store, a drugstore, a lawyer's office and a dentist's office upstairs, something called a dry goods store and perhaps an aging moving-picture house near the corner.

"I remember in the Depression," said Jean Northeast, the Republican county auditor in a very Republican county, "we'd do our Saturday shopping over there, get some candy at the dime store and then everyone would sit in their cars on Center Street all evening and watch their friends go by and talk and socialize. Your entertainment had to be cheap in those days."

Fort Wayne and South Bend are both still 50 miles away (80 kilometers). But that 50 miles, once a forbidding two-day ride on horseback through Indian country, has become a one-hour, think-nothing-of-it air-conditioned outing to the big-city mall for the whole family.

Some local commercial strip developments were also giving the city center tough competition with their new structures, bright lights and easy parking. So an informal group of downtown Warsaw businesspeople began meeting for lunch monthly almost 10 years ago to discuss their area's ills.

Unofficially, the 10 businessmen called themselves the Downtown

Development Commission. Their first priority was fixing up that one vital block of storefronts, many of them vacant and one of them, the movie, charged by fire.

It was a multimillion-dollar job for someone with vision and enough millions to need a tax break or two. Enter Frank Saemann, who left Chicago as a youth to turn salesman and help tame Warsaw into the self-proclaimed orthopedics capital of the world.

The city claims four of the largest medical equipment companies in the world, including Mr. Saemann's own corporate creation, Orthopedic Equipment Co.

Mr. Saemann, 76, who divides his time between Warsaw and Florida, had already acquired some lots on the block. At the gentle urging of community leaders, he quickly bought other plots too until word got out and the remaining plots got too high.

Then five banks put together a \$392,000 Economic Development Bond, which takes on many of the tax-saving characteristics of a municipal bond, enabling the banks to charge lower interest, in this case 7.75 percent instead of 12 percent or 14 percent. Mr. Saemann also got a 25-percent investment tax credit for rehabilitating a building more than 40 years old.

"I'd like to see the town prosper," Mr. Saemann said in an interview. "It's a nice town."

The 100-year-old corner building was restored and modernized and named for its investor. Other adjacent structures were renovated. But everything must remain its old small-town look.

Mr. Saemann, recently in poor health, hired Thomas E. Smith, 29, a successful real estate consultant, to oversee his private land investments across northern Indiana. The energetic Mr. Smith has filled all of the new stores with tenants, including a jeweler, a Mexican restaurant and an ice-cream parlor.

"Mr. Saemann did not have a reputation for an overabundance of civic spirit," said one friend. "He's a nh, shrewd fellow. And he tended to dominate any place he was." Last winter he was chosen as Warsaw's Man of the Year.

As word spread this spring that Indiana's senior senator, Richard G. Lugar, would cut the ribbon at the new dedication of the old building May 22, an interesting thing happened. The impact of Mr. Saemann's investments began to spread here. Other downtown storeowners started to clean up, paint up and think positively. Now, says Mrs. Wiggins, many vacant places downtown. And when one does go empty, it's filled right away.

Up in Ithaca last January — testimony to the unchecked urge for riches that dominates the city.

Yet within its great sprawl, there are microcosms that hold it together: sovereigns and potentates, kinships and ambitions that provide sinecure to an insatiable capital.

Lagos is situated in the part of Nigeria occupied by the Yoruba tribal nation. And in one of its suburbs the visitor can locate the king of the city, the Obas Adeyinka Oyekan II, whose lineage has been traced to 1630 and whose traditions have survived much change.

Politicians court him and his people know before him, a link between a modern world and a traditionalistic tradition common in West Africa.

Tribal custom is perpetuated at the ceremonies that honor life's benchmarks: births, weddings and funerals.

Money itself becomes a kind of social glue. A wealthy man will be obliged to dispense patronage, and a poor man will see his example and aspire to a similar status, perceived as a possibility for those prepared to wheel and deal and push for the top.

Thus, a foray onto Broad Street, the city's choked artery, it takes time, for the traffic jams are stubborn, and from a macrocosm as the visitors see youths darting between the cars, offering pirated videotapes, portable ventilation fans, pens, watches, toys, cool drinks, candies, gum and cigarettes — the currency of the city's

## Economic Recovery: New Plan Encourages Private Investment

By Fred Langan

TORONTO — Ontario's treasurer, Frank Miller, brought down a budget in May that he hopes will lead to economic recovery by encouraging private investment, by giving tax breaks to big and small businesses and by making up some of the revenue shortfall through a small tax increase. But the Ontario economy may need more than tinkering.

The province will have to do an economic juggling act to get away from its reliance on the old smokestack industries, especially the automobile sector, and, at the same time, to move its manufacturing base toward high-technology. Ontario already leads Canada in high technology.

But the economic message of Ontario is not all bad. The province has a strong base on which to rebuild.

The province of Ontario has not been as hard hit in the recession as some other areas of Canada, especially British Columbia and the neighboring province of Quebec. The reason is that Ontario has a more diversified economic base than any other province in Canada. Quebec may have a separatist government and some western Canadians may dream of secession, but Ontario is the only province in the country that has the economic wherewithal to make it on its own.

Ontario is the home of Canadian economic nationalism, and perhaps the reason is that the province has so much to protect. It has about 50 percent of Canada's manufacturing capacity, most of it centered in the area called the Golden Horseshoe, a densely populated strip along Lake Ontario stretching from Oshawa, east of Toronto, to Niagara Falls. That area includes the strength of Toronto as the financial and head office capital not just of Ontario but of all Canada.

The province is Canada's largest agricultural producer, something that even Canadians are surprised to learn, as most think the big western grain-producing provinces would be on top. The mineral wealth of northern Ontario also makes it the leader in mining.

Throughout the recession, the province's manufacturing and mining sectors have suffered the most. Manufacturing relies heavily on the automobile sector, so much so that one job in six in Ontario is said to be part of the car business. One measure of the slowdown in this sector is a report from the United Auto Workers that their membership in Ontario has dropped by about 25 percent over the last two years. But there may be a turnaround in the making. The four domestic car makers operating in Ontario — General Motors, Ford, Chrysler and American Motors — all reported an increase in sales in April.

Ontario always has been the largest and most populous province in the country. Canada's first prime minister, Sir John A. Macdonald, was from Kingston, Ontario, and his policies did much to ensure Ontario's economic well-being. What was called the national policy was introduced in the late 1870s to protect and to develop local industry by putting up a high tariff barrier. That policy worked, especially in Ontario and, to a lesser degree, in Quebec. But many of the American firms that had been exporting to Canada simply set up branch plants in Ontario to service the Canadian market. By the 20th century, Canada's industry was dominated by foreign firms, which led to economic nationalism and such legislation as enacted by the Foreign Investment Review Agency.

A lowering of the tariff barriers over the last decade, mostly brought about by Canada's membership in the General Agreement on Tariffs and Trade, has meant a decline in Ontario's manufacturing industries, but, at the same time, it has meant the development of new ones. Ontario is down but not out.

Premier William Davis and his majority Progressive Conservative government have considerable scope in economic management, even though monetary policy and much fiscal policy is controlled by the federal government in Ottawa. May's budget apparently will try to stimulate private business, while holding back on government spending, except to maintain social services.

The most conservative man in a Conservative government is Gordon Walker, the minister of industry. He is a believer in private business and as little government as possible, a different creed from most Canadian politicians, especially those in power.

Mr. Walker has big plans for Ontario. He denies that the car industry is down and out and feels that the North American car industry is about to make a comeback. He confidently predicts that he will double exports from Ontario to \$Can.60 billion in five years. Government studies have shown that about 20 percent of Ontario's production is export related, so Mr. Walker feels that even a 5-percent increase in exports would produce about 50,000 new jobs.

Ontario already accounts for almost half of Canada's exports. As part of the export development program, Ontario plans to expand its trade offices around the world. It already has 11 such offices, five in the United States and one each in Paris, London, Frankfurt, Brussels, Tokyo and Hong Kong. The plans are to open new bureaus in the Far East and the Middle East.

Mr. Walker also sees Ontario moving toward high technology, but so does every other province in Canada. Ontario, however, has a head start. The area around Ottawa has been nicknamed "Silicon Valley North," because of the large number of computer and telecommunications manufacturers there. Bell Northern Research, which does the research for Northern Telecom and its parent, Bell Canada, was first in Ottawa, and its presence spawned other high-tech firms. Other firms include Mitel, which manufactures telephone switching equipment and which now has a subsidiary that makes a portable computer called the Hyperion; Gandy, which makes telecommunications equipment, and Nabu, a computer manufacturer with a retailing subsidiary.

Toronto also is home to high-tech industries, including Northern Telecom, one of the largest telecommunications companies in North America. Its success can be measured by its stock price. A year ago it was \$Can.40; it is still at that price today except the shares have split three for one. Spar Aerospace, which built the arm for the U.S. space shuttle, is also in Toronto.

## Shakespeare Leads a Heavy Agenda of Summer Festivals

By Ken MacQueen

OTTAWA — The beer tents and craft displays are packed away on May 24 and the 250,000 tulips planted throughout Ottawa will collapse shortly thereafter, as they always do, exhausted after the eight-day party.

That is the problem with using tulips as the centerpiece for Ottawa's festival of spring. They have no staying power and they are prone to such exotic maladies as tulip fire fungus. "You can't control nature," said Pierre Lamoureux, the festival's manager.

For just that reason, most of the dozens of festivals around Ontario are built on a more enduring premise. Stratford and Niagara-on-the-Lake, for instance, have done rather well by celebrating the works of Shakespeare and Shaw. But almost any excuse will do. The border cities of Windsor and Detroit join hands June 24 to July 4 for the International Freedom Festival.

And tens of thousands will attend the annual celebration of the soil, the International Ploughing Match and Farm Machinery show, to be held this year at Richmond, outside Ottawa, Sept. 27 to Oct. 1.

Shakespeare has settled comfortably in Stratford, a pleasure two-hour drive west from Toronto, although one suspects some townsfolk consider him a bit too ribald. But Stratford has adjusted, still tending to the swans that ply the Avon river and now offer-

ing an acceptable selection of restaurants and nightspots.

The Stratford festival offers five of Shakespeare's works in its 31st season: "Macbeth," "As You Like It," "Richard II," "Love's Labour's Lost" and "Much Ado About Nothing," as well as a selection including Moliere's "Tartuffe," a repeat of last year's hit "The Mikado" and "The Gondoliers" by Gilbert and Sullivan, and Arthur Miller's "Death of a Salesman." Lectures by celebrities are also scheduled throughout the season, as are concerts ranging from Ella Fitzgerald to Neil Sedaka. Tickets can be ordered by mail from the festival theater box office, P.O. Box 520, Stratford, Ont., N5A 6V2.

Meanwhile, the Shaw Festival, in the pictureque town of Niagara-on-the-Lake, has put together a splendid season for May 4 to Oct. 2. For those torn between Stratford and Niagara, Trish Wilson, a theater critic, said the latter, located on Lake Ontario not far from Niagara Falls, "offers the best in sheer instant gratification for tourists."

The lovely homes, fudge and craft shops almost seem to have been borrowed from the festival's property room, she said. Her summers are spent dashing between both major festivals on behalf of her newspaper, the Kitchener-Waterloo Record. "The fare at the Shaw Festival tends to be a bit lighter," she

said. "I mean, Stratford really does try to do the classics."

This season Niagara includes Shaw's "Caesar and Cleopatra," "Candida" and "The Simpleton of the Unexpected Isle." Among the other offerings are an opera based on Fielding's "Tom Jones," "Roxbury Nook" by Ben Travers and Noel Coward's "Private Lives." Tickets are offered by mail from the Shaw Festival box office, P.O. Box 774, Niagara-on-the-Lake, Ont., L0S 1J0.

Some of the attention has shifted from the two major festivals this year as theater patrons anticipate the inaugural season, Sept. 19 to May 5, 1984, of the Grand Theater Company in London, Ont. Miss Wilson said. It has drawn many of the familiar faces from the stages of Stratford and Niagara and has for its artistic director the mercurial Robin Phillips, who stood Stratford on its ear during his reign there.

Its first season includes Shakespeare and Shaw, the doting "Arsenic and Old Lace" and the rock musical "Godspell" among others. Information: Theater London, 471 Richmond St., London, Ont., N6A 3E4.

Scattered throughout Ontario is another class of festival where various forms of culture are celebrated — but always in sight of beer tent. Most last about a week — or until one's liver starts twitching.

Early off the mark, June 17 to 25, is To-

ronto's carnavalesque. Various countries are explored as one travels from pavilion to pavilion, setting down food and drink just long enough to get a special passport stamped.

Niagara's grape harvest is celebrated Sept. 23 to Oct. 2 in St. Catharines, an hour from Toronto. Tourists and locals put down the Mouton-Cadet long enough to sample the products of the local wineries and soak in some culture at the grape and wine festival.

The burghers of Kitchener-Waterloo are apt to get huffy if you remark on the awesome volume of beer consumed during their annual Oktoberfest, Oct. 7 to 15. Granted,

the area's German heritage is displayed in all its manifestations, but it is the sweaty fellowship of the boozhalls that must be savored, if not always remembered.

Most any weekend from spring through fall there is a fair, a Highland games or a folk festival within a short drive of anywhere. One event, the Memphite auction relief sale in New Hamburg, near Stratford, soars above the sticky landscape of candy floss, ring toss and hotdogs. It is held May 28 this year and it raises money for the Mennonite central committee's overseas relief work.

There are many fairs and exhibitions to forestall the approach of winter, including Toronto's huge, indoor, royal agricultural winter fair, Nov. 10 to 19.

## High Tech Becomes 2d-Largest Employer

By Anne Gregor

OTTAWA — Seven years ago, municipal authorities in Ottawa were devastated. The federal government, by far the largest employer in the capital area, announced a new policy of decentralizing government services. Whole departments were to be moved across the Ottawa River to the neighboring city of Hull, in the province of Quebec, and many other groups were told they would be moving to centers across the country.

"We realized we couldn't rely on the federal government," said William Marshall, president of the region's Industrial Development Corporation. The municipal representatives sat down and made an assessment of the strengths of the community. They found a rapidly-growing, dynamic community of high-technology companies that, in home basements, small offices and abandoned sheds, were developing futuristic communications equipment, home computers and video systems.

Today, the industry employs about 25,000 people and is the region's second-largest employer. Only the government, with close to 100,000 employees, puts more into the local economy, but the region's economic experts are betting that the high-technology side

will show the growth that government once provided in the 1960s and 1970s, before fiscal restraint came into vogue.

The thought of Ottawa as an industrial city is hard for many Canadians to grasp. Queen Victoria chose the site to be the capital of the country in 1858. It was a logging town, much looked down upon by the politicians who were going to have to live there. Ottawa spent the next hundred years trying to live down its reputation as a commercial, industrial and cultural backwater where bureaucrats lived a complacent and comfortable existence.

All that changed. The federal government spent hundreds of millions of dollars building a concert and theater center, parks, ski areas and bicycle paths.

This comfortable style of living without smokestacks and the rest of the clutter of an older industrial area attracted the high-living, high-tech entrepreneurs.

"We like it not being too big. It's easy to get about, and the nightlife is closer to that of a big center. People like living here," said Terry Matthews, chairman of Mitel, one of the best known of the high-technology companies in the Ottawa region.

The start of Mitel is typical of many other such companies. Its founders were both working for larger

(Continued on Following Page)

## Province's Leaders Play Sensitive Role On National Scene

By Les Whittington

TORONTO — After 12 years as the head of government of the most populous of Canada's 10 provinces, Premier William Davis of Ontario recently decided against running for the leadership of his national party.

The Progressive Conservatives, which now form the opposition to Prime Minister Pierre Elliott Trudeau's Liberal government, stand a good chance of winning the next national election, expected next year, because of widespread dissatisfaction over Mr. Trudeau's handling of the economy.

But, despite the chance of being prime minister, Mr. Davis decided not to be among the candidates lining up for the Conservative leadership convention in Ottawa in June. Mr. Davis' reasons said a great deal about Ontario's place in the fractious Canadian federation and about the continuing tensions that divide the regions of the nation.

Throughout Canada's 116-year history, Ontario has upheld the country's English traditions and heritage, while its next-door neighbor, Quebec, nurtured the culture of the other founding people, the French. In addition to this bedrock polarity with Quebec, sympathy toward Ontario has arisen in other regions, particularly the western provinces of Alberta, Saskatchewan and British Columbia, as a result of deeply entrenched economic policies. Many people believe tariff and other measures favor Ontario, with its population of six million, at the expense of farmers and consumers in the more sparsely populated West.

The regional conflicts, played out in the last decade in Canada in the struggle over Quebec's now-called drive for independence and the hotly debated drafting in 1980-81 of a new Canadian constitution, still reverberate through every aspect of national politics. For these reasons, Mr. Davis decided, in spite of his wide popularity within his party in some areas of the country, not to attempt to win control of the Conservative Party and thus gain a chance to run for prime minister.

Mr. Davis told reporters his decision was made in order to avoid becoming "a controversial force" that would further divide his party → and potentially the country → along east-west lines. In keeping with earlier Ontario governments, the Davis administration has seen its role as a mediator and promoter of cooperation in the federal-provincial relations that are of such importance in Canada's highly decentralized government system. But the record under Mr. Davis in this respect is spotty, in the view of many observers, and Ontario has inevitably made enemies among other provinces.

In the years of fast-rising energy prices in the late 1970s, Ontario, as the country's largest manufacturing area but possessing no oil of its own, lobbied successfully to keep Canadian crude prices below the world level. Ontario's determination on that issue was fed by the shifting terms of trade that were increasingly favoring western Canada, particularly the major oil-producing province, Alberta, and the decline of important basic industries such as cars, steel and textiles in Ontario.

In 1970, Ontario's output per capita was the highest in the country. Now the province is fifth, with Alberta on top. In fighting for cheaper oil on behalf of Ontario manufacturers and consumers, Mr. Davis sided with Mr. Trudeau in a protracted, bitter dispute with Alberta's premier, Peter Lougheed, who believed his province was entitled to more revenue through higher prices for its crude. Similarly, the Liberal government under Mr. Trudeau was able to count on help from Mr. Davis' Conservative Ontario administration in the historic internal squabble over the basics of a new constitution.

Conservative Party premiers in most of the other provincial capitals, along with Quebec Premier René Lévesque, fought against Mr. Trudeau's constitutional proposals. The premiers said the proposals ceded too much power to Ottawa. In the process, Mr. Davis earned the enmity of other premiers.

The Davis government also has angered Quebecers because of the refusal of Ontario, which has a small minority of French-speaking residents within its borders, to declare both French and English official languages. The Conservative provincial premiers are able to exert a strong influence on their party at the national level. And Mr. Davis is known, in contemplating a bid for national office, that he could count on only limited support from his party in Quebec and that Mr. Lougheed in Alberta would lose his substantial clout to keep the Ontario premier from becoming the Conservative national standard-bearer. The situation was described by some observers as possibly capable of injecting stability into Canada's currently unsettled political scene.

To Canadians, weathering a severe recession, the question of who will guide the country back to prosperity has taken on crucial importance. Mr. Trudeau, at a moment of unprecedented unpopularity among voters, is set to resign in a year or so. But the Conservatives, rather than preparing to take power, have been battling among themselves since January, when an impromptu show of support for their previous leader, former Prime Minister Joe Clark, led him to call a leadership campaign. As elsewhere in Canada, the majority of Ontarians seem to want more conservative, pro-business government policies and less of the Canada-first strategies that under the Liberals have brought attempts to take control of foreign-owned oil assets and screen all foreign investment coming into the country.

Last year, the Davis government, in concert with the economic restraint plan put in place by the Trudeau administration, moved to restrict the wage increases of 500,000 Ontario public servants to 5 percent in 1982-83. Private business was asked to follow that example. With its manufacturing industries plagued by widespread layoffs, Ontario has introduced some measures to spur growth, including plans for expenditure of \$1.5 billion in government and private funds on electrical power plants, mass transit and other major projects over five years.

## Province Aims at French Trade; Upgrades, Expands Paris Mission

By Ann Duncan

PARIS — For more than a century, the Ontario government has concentrated its efforts in Europe on London, leaving France the prerogative of Quebec. In the 1970s, Ontario made its first tentative foray into France, setting up a tiny trade mission in Paris. But almost a year ago, in a policy shift, the Ontario government hired one of Canada's top stars in television journalism, Adrienne Clarkson, and sent her to upgrade and to expand the province's office in Paris.

The figure may not seem like much at first glance, but all \$Can.70 million of those goods were raw or semi-finished materials, namely pulp and paper, minerals and agricultural products. There had been no significant increase over the 1980 exports to France.

But during the last six months of 1982, the period when the Ontario delegation in Paris was being expanded, Ontario sold an extra \$Can.8 million worth of goods to France and the office claims direct credit for the increase. "Those were sales we virtually put together," Mr. McCrae said.

The figure may not seem like much at first glance, but all \$Can.70 million worth of additional exports occurred in the manufacturing sector, the area that the Ontario delegation is striving to boost, Mr. McCrae said. "That's where the jobs are," he said. The increase also occurred at a time when overall Canadian exports to France had dropped for the second consecutive year from a high of almost \$Can.1 billion in 1980 to about \$Can.70 million last year.

In addition, the Ontario delegation said it helped cultivate what will amount to an additional \$Can.30 million in French investments in the province if all the investment proposals are approved by the Federal Investment Review Agency. The proposals call for the building of a hotel in Hamilton by the Novotel group to the construction of a petrochemical components parts plant in Sainte-Marie.

No precise foreign investment figures are kept in Canada on a provincial basis. "But our understanding is that that \$Can.30 million capital investment is an enormous jump," Mr. McCrae said. Besides business, the Ontario delegation, under its newly broadened mandate, also has been trying to build up tourism, strengthen cultural links with France and promote educational exchanges.

With some of the initial legwork having been done in France, the Ontario office is beginning to turn its attention to strengthening trade and other ties with Italy and Spain, while a new Ontario office in Brussels has been doing similar work with Belgium and at the headquarters of the European Community.

What are the main difficulties in attempting to boost the sales of Ontario goods in Europe? Mr. McCrae cited the worldwide economic downturn, an unfavorable rate of exchange for the Canadian dollar against the French and Belgian francs, the lire, the pound and other European currencies, high transportation costs and European Community tariffs that place non-Community goods at a disadvantage.

As a result, the Ontario products that are likely (Continued on Following Page)



## ONTARIO

**Climate, Poor Prices and High Costs Hurt Farmers**

By Debra Black

DUNNVILLE — This year is shaping up to be a critical one for Max Ricker and thousands of other Ontario farmers, following last year's bout of poor prices, rising production costs and erratic interest rates.

Ricker, a corn and soybean farmer with a 1,300-acre spread 16 kilometers from the north shore of Lake Erie, suffered substantial losses last year. He was not alone. Ontario corn producers had one of the worst years in recent memory. Prices plunged to a recent low of \$2.20 a bushel. The company Canadian Climate added to the corn farmer woes as frost, rain and drought all hit the crop during the growing season.

"If I have another year like last year," Mr. Ricker, whose family has farmed in this area since 1834, said in an interview, "you'll be seeing me sell land, even if I have to give it away."

Such sentiments are being heard increasingly throughout Ontario, one of Canada's most diverse and important food-producing provinces. Ontario's farm sector contributed \$Can.2.28 billion of Canada's total gross domestic product of \$Can.269.53 billion in 1980, the most recent year for which such figures are available. Ontario's farm cash receipts, which totaled \$Can.4.85 billion in 1982, down marginally from 1981, accounted for about 26 percent of the total farm gate sales in Canada.

The province's leading commodity is beef, which brought in \$Can.1.1 billion in farm cash receipts in 1982, about 23 percent of the Ontario total. Dairy goods and pork follow close behind with 19.7 percent and 13.6 percent respectively. Other commodities include

corn and soybeans (8.11 percent), fruits and vegetables (6.5 percent), tobacco (7.2 percent) and poultry and eggs (6.4 percent).

Farmers and industry observers agree 1983 will be a make-or-break year for many farmers. Despite lower interest rates and some easing of Canada's inflation rate, the Ontario Federation of Agriculture estimates that between 5,000 and 8,000 farmers are still in "financial trouble." While realized net farm income is expected to be up somewhat over last year, provincial farm economists concede that the Ontario farm sector "isn't out of the woods yet."

Indeed, many of Ontario's estimated 50,000 commercial farmers continue to feel the effects of the recession.

During the first quarter of 1983, Ontario's farmers had the dubious honor of leading all Canadian farmers in bankruptcies, with 47 out of 115. Last year, 176 of Canada's 410 farm bankruptcies occurred in Ontario. While the 1982 figures are not yet tabulated for farm debt, Ontario's farmers carried \$Can.4.614 billion in farm debt in 1981, about a quarter of the Canadian total.

Realized net farm income for the province was \$Can.774.3 million last year, down 12 percent from 1981, according to preliminary Canadian government figures. Much of that decrease was due to high operating costs and weather damage to some crops, in particular corn, wheat and tobacco.

The plight of Ontario farmers has brought with it a grab-bag of solutions from both the provincial and federal governments. The province has offered reduced interest rates and deferred payments on loans to farmers and last month promised a program of special aid to young and beginning farmers.

At the federal level, the Canadian government pledged in its April 9 budget to put \$Can.100 million worth of additional funds into the Farm Credit Corporation, which lends money to farmers at reduced rates, and increased the time limit for carrying over losses.

For many Ontario farmers, however, the government aid is not steady enough. About 3,000 provincial farmers have joined the Ontario-based Canadian Farmers Survival Association, a group devoted to preventing farm bankruptcies and foreclosures through cheaper credit and higher commodity prices.

The militant group was successful in achieving at least one of its goals. A six-day hunger strike by its president, Allen Wilford, a Tara, Ontario, farmer, forced the federal government to give second reading to legislation that will allow the courts to act as an arbitrator in any farm bankruptcy dispute between farmers and the banks.

The more moderate OFA recently set up a special committee, offering financial advice to farmers facing bankruptcy. But even OFA president, Ralph Barrie, admits that other than giving these financially plagued Ontario farmers a month-to-month respite, there is not much that can be done for them.

Meanwhile, Ontario farmers are keeping their fingers crossed for the coming year. Commodity prices appear to be holding their own so far this year, with some increases in the corn and soybean sector because of the American Payment in Kind program, known as PIK, which is encouraging U.S. farmers not to plant because of a worldwide

surplus. Corn prices currently average \$Can.125 per metric ton, up from last year's low of about \$Can.80. Beef prices, which have been depressed since 1980, are expected to at least remain stable, according to a province spokesman. This could be interpreted as a "promising" sign for beef producers, who were among the hardest hit of all farmers in the province, he said. The province's pork producers, second to Quebec in total output, still are getting fairly strong prices for their animals. But hog producers are watching the market closely as they expect prices to drop severely at the end of the year because of an influx of U.S. hogs.

The province's fruit and vegetable growers, who lead the country's production, are cautiously counting on an improved year. Hail caused substantial damage to some vegetable crops in 1982, while harsh winter conditions hurt many Niagara Peninsula fruit growers during the previous year. But for the meantime, one economist said, "everyone is holding his breath."

The outlook is less cheery for tobacco, all of which is grown in Ontario. Producers, who suffered heavy frost damage last year, face quota cutbacks this year caused by a glut of inexpensive tobacco on the export market and a leveling off of worldwide consumption.

If there is a bright spot in the Ontario farm picture, it is for wheat growers, who expect to produce 800,000 metric tons in 1983, their best year since 1977. But even that forecast is dependent on increasing the allowed levels of vomitoxin, a fungus that makes livestock sick, to a par with that in the United States.



Max Ricker, who grows corn and soybeans, is one of many farmers in Ontario who had substantial losses last year. The province is one of Canada's most important and diverse food-producing regions. The leading commodity is beef, followed by dairy goods and by pork.

**Province Aims at French Trade**

(Continued from Preceding Page)  
to overcome such hurdles are competitively priced, technologically advanced products of high quality, he said.

Federal and Québécois commercial officials in Paris and various provincial trade officials in London echoed Mr. McCrae's analysis, but said that each province had different specialized products that could be attractive to the European market.

"Frankly, I don't see many problems," Mr. McCrae said about increasing Ontario exports to Europe. "I think the fact of the matter is that we have not been very aggressive up until now. We're just beginning and I think it's time when you start anything new, you find all sorts of opportunities."

In an effort to maximize any potential advantages for Canada, Québec, Ontario and federal trade and immigration officials in Paris meet from time to time in attempts to coordinate their efforts.

"Each province offers something different [in terms of exports], so Québec and Ontario don't have too much cause to cooperate, but we do if the situation presents itself," said Jean-Marc Lajoie, Québec's chief economic officer in Paris.

Although Ms. Clarkson said the Ontario office in France is to do business, not to play politics, a

thorny political question over her job title remains unsolved.

Her predecessor, Mr. Lavelle, was called an agent-general in both French and English. But Ms. Clarkson is referred to on her passport and her calling card in French as Déléguée Générale, a title that also is used by Québec's top man in Paris, Yves Michaud.

Ontario thought the new title fitting for the expanded responsibilities of its Paris office. But the Quai d'Orsay, despite a number of discussions with the Canadian Embassy during the last year about Ms. Clarkson's title, has not yet officially ruled on the matter.

Ms. Clarkson calls a flurry of publicity in Canada about the issue a "tempest in a teapot," while Jacques Bilodeau, an embassy spokesman, said that the matter is not taking an unusually long time to resolve. But it is unlikely that Canada would accept anything less than equal treatment by the French for the two offices.

"This is just a personal opinion," Mr. McCrae said, "but it would seem difficult for the sovereign state of Canada to admit that another sovereign state treats its internal provinces in differing ways."

**Price Slump Hits Mining Industry**

TORONTO — The Canadian shield is a ring of rocks and lakes formed like a giant U around Hudson's Bay when the glaciers retreated in the last Ice Age. The temperatures in much of the land it covers still seem glacial for all but a few months of the year, but the rocks left behind contain a horde of mineral wealth.

A great part of the Canadian shield is what makes up northern Ontario, and the province produces about 45 percent of all minerals in Canada, excluding coal and oil. But the value of the production has been falling.

In 1980, Ontario produced \$Can.4.64 billion worth of minerals, in 1981 \$Can.4.15 billion, but by 1982 the figure had dropped to \$Can.3.17 billion. Those figures meant a bleak year for cities such as Sudbury in northern Ontario, mining headquarters of companies such as International Nickel (Inco) and Falconbridge and a town whose former match the tops and downs of mineral prices.

The slump left Ontario mining companies with staggering losses and for much of last year left Ontario

tin miners with little to live on but unemployment insurance.

The biggest employer in Sudbury, Inco, Canada's largest mining company, has lost \$Can.674 million in the last two years. It is a bleak picture, but one that will improve with the expected upturn in the North American economy. When the United States and the rest of the world are not buying cars, there is little need for the nickel and copper mined in northern Ontario.

Inco's operations in Sudbury and Coppercliff have been shut down since last summer. In April, 11,000 miners returned to work. The company said there has been some increase in demand for its metals. It also needs to rebuild the stockpiles of some of the metals it produces. At Sudbury, in addition to copper and nickel, Inco also produces cobalt, gold, platinum and palladium. The company usually uses the profit from the precious metals to carry it over the rough spots in nickel and copper markets. In this past slump, that did not work.

Gold is the bright spot in Canadian mining. A major new gold discovery at Emea in northern Ontario is expected to be in produc-

tion within two years and by the end of this decade gold output in Canada could rise from 1.8 million ounces a year to about 3 million ounces a year.

In addition to being the leading gold and nickel producer, Ontario has about 61 percent of Canada's uranium, all of its platinum and 25 percent of the country's silver. Metals analysts feel that the earnings of the mining industry will improve this year, though at a slower rate than the companies would hope for. Some feel that Ontario's mining industry may not return to an overall profit position until the beginning of 1984.

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—FRED LANGAN

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Since 1970, Ontario's share of world trade slipped to 1.48 percent from 2.3 percent.

Last year, at the height of the recession,

laid-offs in steel, autos and other big industries contributed to a job-loss total of more than 100,000 among a work force of 4 million. Among the worst hit was Ontario's

lynchpin business, the auto industry, which is centered in the province and alone employs nearly 4 percent of Ontario's workers.

With Japanese and European imports taking a greater share of a shrinking Canadian market, the Canadian subsidiaries of the U.S. Big Four have suffered severe losses. Because of a return of large-car buying in the United States brought on by cheaper gasoline, the short-term outlook is slowly improving in this industry.

Last year, the surge in big-car sales to the

American market provided Canada with a

\$Can.2.9 billion surplus in vehicle sales under the Canada-U.S. automobile free-trade pact.

That record compared with a \$Can.1.7 billion deficit in the previous year. And the

Big Four say the positive sales trend appears to be continuing in 1983, although econo-

mists caution that Canada, ironically after years of demanding that its U.S. partners be given more small-car production, may be

increasingly unable to take advantage of the Canadian market. Economists predict lower growth for manufacturers generally in the 1983-84 period. Broadly speaking, the province is feeling the adverse effects of an industrial structure weakened by over-reliance on the automobile industry, inadequate spending on research and development and lagging productivity. Moreover, the lower tariffs being phased in as a result of Canada's participation in the General Agreement on Tariffs and Trade that ended in Geneva in 1979 will expose Ontario's industries to further import competition.

In short, while the province's abundant resources, skilled labor and proximity to large markets provide a basis for lasting economic strength, the Progressive Conservative government of Ontario will oversee the partial rebidding of the industrial sector in the 1980s and 1990s. The trick will be to realize which sectors are in long-term decline, said John Higgins, of the Conference Board in Canada research group in Ottawa. Otherwise, Ontario will "end up 10 years from now with badly outdated industries."

—LES WHITTINGTON

**ONTARIO IS INVESTING IN TOMORROW**

The Province of Ontario understands that to provide a sound, secure environment for foreign investment, it is essential to be both in touch with, and equipped for, tomorrow. The strength of our industrial sector and our growth record in a number of future oriented industries are concrete testimony to the depth of our commitment to tomorrow.

But there are many other fundamental reasons why Ontario is one of North America's highest potential growth areas.

Our location is ideal. We are in the very hub of the heavily industrialized northeast sector of the continent: less than one day's trucking from the bulk of North America's industrial market.

Our labour force, both skilled and unskilled, is one of the finest on the continent. We have abundant natural resources, including extensive deposits of nickel, zinc, uranium, copper and iron. Our energy resources are secure and competitively priced. Our industrial elec-



tricity rates are lower on average than British, European, and U.S. rates.

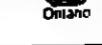
From a strictly dollars and cents point of view, Ontario has a great deal to offer too. An attractively priced Canadian dollar, a highly efficient and mobilized construction industry, that can set up your plant as quickly and professionally as any in North America, more than 30,000 acres of fully serviced industrial land, extensive transportation and communication links, a competitive tax environment, top-ranked research and development facilities and one of the most sophisticated international banking systems in the world.

Add to this, the benefits of living in one of the most beautiful places and enjoying one of the highest standards of living in the world, and you can easily see that Ontario adds up to quite a package.

To find out the entire story contact Ontario's representative in those cities listed below.

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### RECENT ISSUES

Am.	Security	5/19	5/20	5/21	5/22	5/23	Avg.	Middle	Price	%	Mo.	Yield	5/24	5/25	5/26	5/27	5/28	5/29	5/30	5/31	5/32	5/33	5/34	5/35	5/36	5/37	5/38	5/39	5/40	5/41	5/42	5/43	5/44	5/45	5/46	5/47	5/48	5/49	5/50	5/51	5/52	5/53	5/54	5/55	5/56	5/57	5/58	5/59	5/60	5/61	5/62	5/63	5/64	5/65	5/66	5/67	5/68	5/69	5/70	5/71	5/72	5/73	5/74	5/75	5/76	5/77	5/78	5/79	5/80	5/81	5/82	5/83	5/84	5/85	5/86	5/87	5/88	5/89	5/90	5/91	5/92	5/93	5/94	5/95	5/96	5/97	5/98	5/99	5/100	5/101	5/102	5/103	5/104	5/105	5/106	5/107	5/108	5/109	5/110	5/111	5/112	5/113	5/114	5/115	5/116	5/117	5/118	5/119	5/120	5/121	5/122	5/123	5/124	5/125	5/126	5/127	5/128	5/129	5/130	5/131	5/132	5/133	5/134	5/135	5/136	5/137	5/138	5/139	5/140	5/141	5/142	5/143	5/144	5/145	5/146	5/147	5/148	5/149	5/150	5/151	5/152	5/153	5/154	5/155	5/156	5/157	5/158	5/159	5/160	5/161	5/162	5/163	5/164	5/165	5/166	5/167	5/168	5/169	5/170	5/171	5/172	5/173	5/174	5/175	5/176	5/177	5/178	5/179	5/180	5/181	5/182	5/183	5/184	5/185	5/186	5/187	5/188	5/189	5/190	5/191	5/192	5/193	5/194	5/195	5/196	5/197	5/198	5/199	5/200	5/201	5/202	5/203	5/204	5/205	5/206	5/207	5/208	5/209	5/210	5/211	5/212	5/213	5/214	5/215	5/216	5/217	5/218	5/219	5/220	5/221	5/222	5/223	5/224	5/225	5/226	5/227	5/228	5/229	5/230	5/231	5/232	5/233	5/234	5/235	5/236	5/237	5/238	5/239	5/240	5/241	5/242	5/243	5/244	5/245	5/246	5/247	5/248	5/249	5/250	5/251	5/252	5/253	5/254	5/255	5/256	5/257	5/258	5/259	5/260	5/261	5/262	5/263	5/264	5/265	5/266	5/267	5/268	5/269	5/270	5/271	5/272	5/273	5/274	5/275	5/276	5/277	5/278	5/279	5/280	5/281	5/282	5/283	5/284	5/285	5/286	5/287	5/288	5/289	5/290	5/291	5/292	5/293	5/294	5/295	5/296	5/297	5/298	5/299	5/300	5/301	5/302	5/303	5/304	5/305	5/306	5/307	5/308	5/309	5/310	5/311	5/312	5/313	5/314	5/315	5/316	5/317	5/318	5/319	5/320	5/321	5/322	5/323	5/324	5/325	5/326	5/327	5/328	5/329	5/330	5/331	5/332	5/333	5/334	5/335	5/336	5/337	5/338	5/339	5/340	5/341	5/342	5/343	5/344	5/345	5/346	5/347	5/348	5/349	5/350	5/351	5/352	5/353	5/354	5/355	5/356	5/357	5/358	5/359	5/360	5/361	5/362	5/363	5/364	5/365	5/366	5/367	5/368	5/369	5/370	5/371	5/372	5/373	5/374	5/375	5/376	5/377	5/378	5/379	5/380	5/381	5/382	5/383	5/384	5/385	5/386	5/387	5/388	5/389	5/390	5/391	5/392	5/393	5/394	5/395	5/396	5/397	5/398	5/399	5/400	5/401	5/402	5/403	5/404	5/405	5/406	5/407	5/408	5/409	5/410	5/411	5/412	5/413	5/414	5/415	5/416	5/417	5/418	5/419	5/420	5/421	5/422	5/423	5/424	5/425	5/426	5/427	5/428	5/429	5/430	5/431	5/432	5/433	5/434	5/435	5/436	5/437	5/438	5/439	5/440	5/441	5/442	5/443	5/444	5/445	5/446	5/447	5/448	5/449	5/450	5/451	5/452	5/453	5/454	5/455	5/456	5/457	5/458	5/459	5/460	5/461	5/462	5/463	5/464	5/465	5/466	5/467	5/468	5/469	5/470	5/471	5/472	5/473	5/474	5/475	5/476	5/477	5/478	5/479	5/480	5/481	5/482	5/483	5/484	5/485	5/486	5/487	5/488	5/489	5/490	5/491	5/492	5/493	5/494	5/495	5/496	5/497	5/498	5/499	5/500	5/501	5/502	5/503	5/504	5/505	5/506	5/507	5/508	5/509	5/510	5/511	5/512	5/513	5/514	5/515	5/516	5/517	5/518	5/519	5/520	5/521	5/522	5/523	5/524	5/525	5/526	5/527	5/528	5/529	5/530	5/531	5/532	5/533	5/534	5/535	5/536	5/537	5/538	5/539	5/540	5/541	5/542	5/543	5/544	5/545	5/546	5/547	5/548	5/549	5/550	5/551	5/552	5/553	5/554	5/555	5/556	5/557	5/558	5/559	5/560	5/561	5/562	5/563	5/564	5/565	5/566	5/567	5/568	5/569	5/570	5/571	5/572	5/573	5/574	5/575	5/576	5/577	5/578	5/579	5/580	5/581	5/582	5/583	5/584	5/585	5/586	5/587	5/588	5/589	5/590	5/591	5/592	5/593	5/594	5/595	5/596	5/597	5/598	5/599	5/600	5/601	5/602	5/603	5/604	5/605	5/606	5/607	5/608	5/609	5/610	5/611	5/612	5/613	5/614	5/615	5/616	5/617	5/618	5/619	5/620	5/621	5/622	5/623	5/624	5/625	5/626	5/627	5/628	5/629	5/630	5/631	5/632	5/633	5/634	5/635	5/636	5/637	5/638	5/639	5/640	5/641	5/642	5/643	5/644	5/645	5/646	5/647	5/648	5/649	5/650	5/651	5/652	5/653	5/654	5/655	5/656	5/657	5/658	5/659	5/660	5/661	5/662	5/663	5/664	5/665	5/666	5/667	5/668	5/669	5/670	5/671	5/672	5/673	5/674	5/675	5/676	5/677	5/678	5/679	5/680	5/681	5/682	5/683	5/684	5/685	5/686	5/687	5/688	5/689	5/690	5/691	5/692	5/693	5/694	5/695	5/696	5/697	5/698	5/699	5/700	5/701	5/702	5/703	5/704	5/705	5/706	5/707	5/708	5/709	5/710	5/711	5/712	5/713	5/714	5/715	5/716	5/717	5/718	5/719	5/720	5/721	5/722	5/723	5/724	5/725	5/726	5/727	5/728	5/729	5/730	5/731	5/732	5/733	5/734	5/735	5/736	5/737	5/738	5/739	5/740	5/741	5/742	5/743	5/744	5/745	5/746	5/747	5/748	5/749	5/750	5/751	5/752	5/753	5/754	5/755	5/756	5/757	5/758	5/759	5/760	5/761	5/762	5/763	5/764	5/765	5/766	5/767	5/768	5/769	5/770	5/771	5/772	5/773

## BUSINESS/FINANCE

MONDAY, MAY 23, 1983

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## EUROBONDS

By CARL GEWIRTZ

## Big Increase in Money Supply In U.S. Is Bad News for Market

**PARIS** — An unexpectedly large \$7-billion increase in the U.S. money supply reported late Friday erased whatever illusions still existed about an imminent cut in U.S. interest rates.

Three-month Treasury bills rose in New York Friday to 8.41 from 8.16 percent Thursday, putting the rate 0.44 points above the low set in last month's credit market rally.

The cost of overnight money, the Fed funds rate, after holding steady most of Friday, rose 1/4 point in late trading to 8.4 percent, still below Thursday's level of 8.4 percent.

The dollar, meanwhile, closed in New York at a six-month high against the Deutsche mark of 2.4855, compared with 2.4770 Thursday.

With a hefty \$33 billion scheduled to be raised by the Treasury before the end of June, the question dividing analysts now is whether the increase in interest rates can be contained to current levels or whether the Federal Reserve will be driven to push them up.

All this is bad news for the Eurobond market, where the price of dollar bonds last week held much firmer than in New York. Analysts attributed this break in pattern to Eurobond dealers squaring their books in preparation for a week of truncated trading.

Continental markets will be closed Monday for a holiday and activity will be sharply curtailed Thursday and Friday as traders attend the annual meeting of the Association of International Bond Dealers at The Hague.

This means Eurobond prices now have to fall substantially to catch up with New York.

The new-issue calendar last week was enlivened with two equity-linked offerings, viewed as a welcome relief from the flood of bank paper that has engorged the market.

Sandoz, the Swiss pharmaceutical company, will be selling up to \$60 million worth of 12½-year bonds convertible into the company's bearer participation certificates (nonvoting stock). Each bond will be convertible into five BPCs at a premium of about 10 percent over the existing price when terms are set Thursday.

Once this price is set, managers will establish the face value of each bond, which accounts for the imprecision of the date of the bond issue.

The coupon has been indicated at 5-to-5½ percent. However, with the bonds already trading on a when-issued basis at a premium of 2 percent, the coupon will certainly be set at the lower end of the range.

## Pirelli Offer

The Basel-based holding company of Pirelli is offering \$40 million of five-year bonds at par bearing a coupon of 6½ percent. The low coupon is justified by the 15 warrants attached to each \$2,000 bond.

Each warrant can be exchanged for one BPC of Pirelli International at a price of 242 Swiss francs.

The \$20-million, 15-year convertible bonds of Amedeo are being offered with a coupon of 7½ percent. About one-third of the issue has been prepared, managers report. The bonds will be convertible into the health-care company's American Stock Exchange-listed shares at a premium of about 12½ percent.

Only one straight bond was launched last week, \$100 million of seven-year paper for Sumitomo Finance bearing a coupon of 10 percent and priced at 95% to yield 10.96 percent. Insiders say the Japanese bank was offered more favorable terms but opted to pay a bit more in return for a better placed issue.

Sumitomo ended the week quoted at a discount of 1¾ points. By contrast, Long Term Credit Bank's seven-year issue, launched a week earlier at par bearing a coupon of 10 percent, was quoted Friday at a discount of 2½ points.

Elsewhere in the dollar sector, LTCB's London branch is selling \$25 million of floating rate certificates of deposit and Sunwa Bank's Hong Kong branch is offering \$30 million of floating certificates of deposit. Crédit Chimique of France is seeking \$50 million in seven-year floating rate notes that are retraceable to five years at the option of investors.

Also on offer is an \$80-million, seven-year floating rate note for the Mortgage Bank of Denmark.

The most interesting offering of the week, bankers were agreed, was the £30 million-U.S. dollar option bonds by France's credit agency for

(Continued on Page 11, Col. 1)

## Scarce Markets Raise Doubt Over Gulf Industrialization

By Paul Lewis

New York Times Service

**ATHENS** — Ever since the first big run-up in oil prices in 1973, the Gulf's oil-producing countries have been trying to wring more profit out of their oil and gas reserves by diversifying into related fields like chemicals and fertilizer or by setting up heavy industries like aluminum and steel, which need abundant cheap energy.

But doubts about the wisdom of trying to industrialize the region pervaded a two-day conference sponsored here earlier this month by Wharton Econometric Forecasting Associates. As Abdullah al-Khalifa of the Bahrain Industry Ministry noted: "Our declared aim is to diversify an oil-based economy. But are we doing the right thing? Is industrialization real, or is it just a gold rush?"

Such doubts seem timely. Saudi Arabia, Qatar and Kuwait have invested heavily in fertilizer plants, while Qatar, Saudi Arabia and Iraq are making basic petrochemicals and planning to turn out more. Bahrain plans a new plant by 1985 while, by then, Saudi Arabia will have another five, including three ethylene units, the largest ethylene-glycol plant in the world and a polyethylene plant using Union Carbide technology.

## CURRENCY RATES

	U.S.	U.K.	F.R.	H.A.	G.M.	B.R.	S.E.	D.K.
Amsterdam	2.795	4.723	12.225	32.74*	1.069	5.628	134.45*	31.64*
Berlin (D)	4.625	7.875	15.74	4.644	2.355	17.775	23.95	5.975
Buenos Aires	—	1.215	1.887	—	1.455	1.944	5.07	11.645
Copenhagen	—	—	—	—	—	2.034	1.225	—
London (D)	1.357	—	2.803	11.275	2.269.50	4.334	76.90	1.225
Milan	1.072.45	2.228.20	5.912.50	19.750	—	2.048	29.78	77.22
New York	7.027	11.595	20.845	53.852	1.064	1.064	1.064	1.064
Paris	2.055	3.275	6.865	20.905	1.064	1.064	1.064	1.064
Zurich	—	—	—	—	1.072	1.072	1.072	1.072
1 ECU	1.9151	3.015	6.625	18.275	1.072	1.072	1.072	1.072
1 SDR	1.3878	2.4845	5.2745	13.2145	0.924	0.924	0.924	0.924
<i>Dollar Values</i>								
U.S.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Germany (D)	1.037	1.0202	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
France (D)	—	1.0202	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Belgium (D)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Ireland (D)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
N.L.	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Denmark (D)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Spain (D)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Austria (D)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Portugal (D)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Switzerland (D)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Italy (D)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Belgium (F)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
France (F)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Spain (F)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Austria (F)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Portugal (F)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Switzerland (F)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Italy (F)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Belgium (B)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
France (B)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Spain (B)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Austria (B)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Portugal (B)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Switzerland (B)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Italy (B)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Belgium (G)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
France (G)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Spain (G)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Austria (G)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Portugal (G)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Switzerland (G)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Italy (G)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Belgium (S)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
France (S)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Spain (S)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Austria (S)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Portugal (S)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Switzerland (S)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202	1.0202
Italy (S)	1.0202	1.0182	1.0182	1.0182	1.0202	1.0202	1.0202</td	

## **International Bond Prices – Week of May 19**

*Provided by White Weld Securities, London, Tel.: 623 1277; a Division of Financiere Credit Suisse - First Boston*

Amt	Security	Yield				Amt	Security	Yield				Amt	Security	Yield								
		%	Mkt	Price	Avg Mkt			%	Mkt	Price	Avg Mkt			%	Mkt	Price	Avg Mkt					
<b>(Continued from Page 8)</b>																						
\$29	Mergers Ind'l.	8 1/4	15 May	100	82	83	875	dm 30	Tourneforteles Ag	9 7/8	16 Mar	113 1/2	811	870	dm 80	Finland Maritime Bk	4 1/4	24 Apr	100	44	44	573
\$50	Meritus Power Ind'l	15 3/8	19 Dec	100	1300	1420	1420	dm 31	Tourneforteles	4 1/2	23 Mar	100	44	45	dm 50	Finland City	7	16 Jul	100	33	48	528
\$50	Meritus Power Ind'l	14 1/4	19 Sep	100	1200	1240	1240	dm 32	Vietnam City	100	14	84	82	82	dm 51	Helsinki City	7	29 Jun	100	33	35	525
\$35	MetLife Ind'l Fin	12 1/4	20 Oct	100	112	124	1497	dm 33	Vietnam City	9 3/8	29 Aug	105 1/4	846	857	dm 52	Helsinki City	7	29 Jun	100	33	51	784
\$50	MetLife Ind'l Fin	12 1/4	20 Oct	100	112	124	1497	dm 34	Vest-Alpine	8 1/2	26 Jun	100	727	726	dm 53	Imatra Voima	5	27 Jun	100	33	51	784
\$50	MetLife Ind'l Fin	12 1/4	20 Oct	100	112	124	1497	dm 35	Vest-Alpine	8 1/2	26 Oct	102 1/4	727	726	dm 54	Ind'Abba Bank Finland	7	27 Jun	100	33	22	725
\$50	New York Times Fin	15 2/4	16 Jan	100	107	112	1420	dm 36	Vest-Alpine	6 3/4	24 Sep	104 1/4	726	726	dm 55	Rauhastomi Oy	5 3/4	28 Apr	94	22	23	612
\$50	New York Times Fin	12 1/4	27 Oct	100	114	116	1223	dm 37	BELG UBA	5 3/4	24 Sep	104 1/4	726	726	dm 56	Two Power Company	6	18 Feb	100	27	50	509
\$26	Nicaragua Nat'l	5 1/4	15 Sept	100	114	116	1140	dm 38	Belgische Finance	16 1/2	29 Jun	109 1/2	845	845	dm 57	Unica Sons Finland	6 1/2	18 Dec	100	27	753	474
\$70	Nicaragua Nat'l Rockwell	5 1/4	15 Sept	100	112	115	1140	dm 39	Belgische Finance	11	21 Oct	112 3/4	845	947	dm 58							
\$16	Northern Indiana Pub	17 1/4	16 Oct	100	116	120	1522	dm 40	CANADA	8 1/2	29 Apr	107 3/4	689	739	dm 59							
\$16	Northwest Ind'l Fin	17 1/4	16 Oct	100	120	125	1520	dm 41	Canada	9	29 Apr	104 1/4	687	687	dm 60							
\$15	Occidental Ind'l Fin	18 1/4	24 Jun	100	112	118	1841	dm 42	Bronco Ind'l B.V.	5 1/2	26 Oct	100 3/4	726	726	dm 61							
\$25	Occidental Ind'l Fin	17 1/2	24 Jun	100	112	118	1840	dm 43	Concord Imperial Bk	7	17 Jun	99 1/2	727	727	dm 62							
\$22	Occidental Overseas	9 3/4	27 Jul	95 1/4	124	124	1551	dm 44	Hydro-Quebec	4 1/2	18 Aug	107 1/2	683	683	dm 63							
\$49	Occidental Overseas	7 1/2	24 Jun	95 1/4	124	124	1550	dm 45	Hydro-Quebec	6 1/4	14 Nov	111 1/2	624	624	dm 64							
\$16	Occidental Overseas	7 1/2	24 Jun	95 1/4	124	124	1549	dm 46	Hydro-Quebec	5	10 Feb	102 3/4	726	726	dm 65							
\$75	OGE Edison Finance	17 1/2	16 Oct	100	112	118	1528	dm 47	Montreal Hydro-Elec	4 3/4	14 Jul	100 1/2	726	726	dm 66							
\$20	Oceans Comms	9	14 Aug	85 1/2	100	108	1423	dm 48	Montreal	4 1/2	16 Jul	104	744	817	dm 67							
\$16	Pacific Gas & Elecr	8 3/4	16 Aug	111 1/2	120	120	1425	dm 49	Montreal	7	15 Jul	100	745	755	dm 68							
\$50	Pacific Gas & Elecr	15 3/4	16 Jun	111 1/2	120	120	1410	dm 50	Montreal	4 3/4	22 Sep	94	725	751	dm 69							
\$25	Pacific Gas & Elecr	14 2/4	16 Aug	111 1/2	120	120	1410	dm 51	Nova Scotia Power Corp	7	17 Dec	101 1/4	685	685	dm 70							
\$25	Pacific Lighters Ind'l	15 3/4	16 Jul	100	118	120	1419	dm 52	Ontario Hydro-Elec	7 1/2	24 Dec	100	651	651	dm 71							
\$25	Pacific Lighters Over	7 1/2	16 Aug	95 1/2	120	120	1409	dm 53	Ontario Hydro-Elec	6 1/2	24 Dec	100	651	651	dm 72							
\$15	Pembroke Center Co	5 1/2	24 Sep	100	112	112	1224	dm 54	Ontario Hydro-Elec	8 1/2	24 Dec	100	651	651	dm 73							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 55	Ontario Hydro-Elec	8 1/2	24 Dec	100	651	651	dm 74							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 56	Ontario Hydro-Elec	8 1/2	24 Dec	100	651	651	dm 75							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 57	Province Of Manitoba	6 1/2	16 Jul	100 1/2	683	683	dm 76							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 58	Province Of Newfoundland	7 1/2	16 May	100 1/4	683	683	dm 77							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 59	Province Of Newfoundland	8	16 Apr	100 1/4	683	683	dm 78							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 60	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 79							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 61	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 80							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 62	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 81							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 63	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 82							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 64	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 83							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 65	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 84							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 66	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 85							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 67	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 86							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 68	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 87							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 69	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 88							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 70	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 89							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 71	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 90							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 72	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 91							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 73	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 92							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 74	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 93							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 75	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 94							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 76	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 95							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 77	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 96							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 78	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 97							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 79	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 98							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 80	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 99							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 81	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 100							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 82	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 101							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 83	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 102							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 84	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 103							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 85	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 104							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 86	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 105							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 87	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 106							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 88	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 107							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 89	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 108							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 90	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 109							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 91	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 110							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 92	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 111							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 93	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 112							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112	112	1224	dm 94	Province Of Newfoundland	8 1/2	16 Apr	100 1/4	683	683	dm 113							
\$10	Pembroke Center Co	14 1/2	16 Oct	100	112</td																	

#### **DM STRAIGHT BONDS**

#### **CONVERTIBLE BONDS**

(Continued on Page 12)

When you're trading with an increasingly important market, you need the finest bank to look after your interests on the spot.

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I/c's covering transit exports from the UK and West Germany through Turkey to the Middle East.

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Our outstanding financial results are a reflection of our growing base and highly profitable. And we work mainly with the top 100 companies and government agencies in Turkey.

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bank is your natural and best possible  
partner.

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<b>Assets:</b>	<b>TL 65,959,007,000</b>
<b>holders' Equity:</b>	<b>TL 3,039,674,000</b>
<b>Capital increased to TL 4,000,000,000</b>	

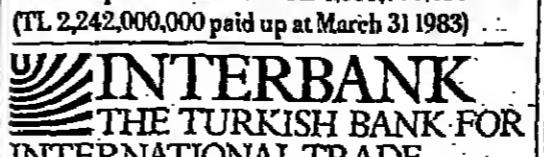
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## NEW EUROBOND ISSUES

Borrower	Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
Air Canada	DM 100	1993	7%	99%	7.45	Noncallable.
ANAS	DM 100	1988	8%	100	8%	Noncallable.
Credit Foncier	DM 100	1991	8%	100	8%	Noncallable.
Renault Acceptance	DM 150	1990	8%	100	8%	Noncallable.
S. Africn Transport Services	DM 100	1990	8%	99%	8.30	Noncallable.
CEPME	£ 30	1995	11 1/4	100	11 1/4	First callable at 100 in 1993. Sinking fund to start in 1993 to produce 11 1/4-year average life. Convertible every 6 months until 1988 into floating-rate dollar paper due 1995 of a fixed rate of \$1.55 per pound. Interest on the floater will be set at Libor with a minimum coupon of 5%.

## Rise in U.S. Money Supply Is Bad for Market

(Continued from Page 9)

small and medium-sized businesses, CEPME. During the first five years, holders can convert the sterling bonds to dollar-denominated floating rate notes.

The exchange rate is fixed for the five years at \$1.55 per pound, an attractive deal, bankers say, because five-year currency options are not easy to come by and, if they could be arranged, would cost

mark Friday will be bad news for German bankers, who the same day set a calendar of 2 billion DM worth of new issues for the next six weeks. This was a bit larger than most bankers had been forecasting and can be taken as a sign of the Bundesbank's confidence in the outlook for the trade balance. The central bank encourages capital exports as an offset to its trade surpluses.

The end of the previous calendar saw government-owned Air Canada offer 100 million DM of seven-year bonds bearing a low coupon of 1% percent. The paper offered at a discount of 59.99 to face yield to 7.25 percent. Lead manager Deutsche Bank said the issue was timed to coincide with the maturity date of \$60 million DM of Canadian government bonds issued in 1978, giving those bondholders the opportunity to move back into a Canadian issue,

Despite the low coupon, the Air Canada paper was quoted at a discount of 1 percent.

Anti-NSU Union, a unit of VW, canceled its scheduled float to the market when it could not agree with lead manager Commerzbank on the coupon to be offered. The company insisted on 7.5 percent while the lead manager held out for 7.75 percent, insiders reported.

Renault, meanwhile, fared very

poorly with its 150 million DM of seven-year notes priced at par bearing a coupon of 8 percent.

The paper was moving slowly and quoted at a discount of 1.5% points.

There has been a flood of French paper in all sectors of the bond market. The particularly bad reception in the dollar sector, where too many issues, too large in size were marketed with too similar a construction, is now being interpreted as a weakness of France's credit

standing and spilling over to other markets.

Some bankers maintain that the credit standing of French borrowers would improve if the flow of issues was better timed in terms of size and timing.

That said, the first issue of the new calendar was for France's Crédit Foncier. Its 100 million DM of eight-year bonds are being offered at par bearing a coupon of 8 percent, hardly appealing when Renault, for a one-year shorter maturity, is trading at a discount.

The only issue to be launched this week is for the World Bank. Its 250 million DM offering will be followed June 6 by the Common Market, which will be seeking a similar amount. Bankers noted that the EC issue has nothing to do with the community's need to raise the equivalent of 4 billion ECUs for France.

International Herald Tribune

## Portable Computer Market Risky

(Continued from Page 9)

sowing machine case. They weigh 20 to 30 pounds (9 to 14 kilograms) and can be carried from one place to another but cannot easily be used en route because they do not fit in a suitcase.

The more portable machines like the Gavilan, weigh less than 15 pounds and can fit in a briefcase; thus they are called briefcase computers or notebook-sized computers.

While transportable computers use power-hungry cathode ray tube displays, the briefcase-sized computers generally use the liquid crystal displays that calculators have.

The drawback is that the best displays now available can show only eight lines of text at a time, compared with 24 or more on a cathode ray tube. That makes the briefcase machine somewhat harder to use than the larger computer.

Epson, a Japanese company, led the way in a notebook-sized computer with its HX-20, which sells for \$795. Tandy Corp. recently introduced its notebook-sized Model

100, which costs \$800 and includes several built-in programs.

More sophisticated and more expensive are the computers introduced by Gavilan and by Sharp Electronics Corp., both of which will be available in the fall. Sharp's computer, which will sell for about \$2,500, will weigh 11 pounds. It will have a display capable of showing eight lines of text with 80 characters per line. A printer can be installed in the basic unit.

Gavilan's machine, which will sell for \$4,000, has built-in software, a tiny disk drive, and a feature that allows users to move the pointer on the screen and perform tasks by moving their fingers along a tough-sensitive keyboard.

Many other companies also showed transportable or briefcase-sized computers, but it seems certain that not all will succeed.

"It's easy to introduce a product but it's difficult to build a company," said Robert Jannich, 2d, president of Osborne Computer. Osborne, despite a highly successful initial product, has fallen victim to competition.

In January its management was restructured. Mr. Jannich, formerly president of Consolidated Foods, was brought in as chief executive, to keep it there."

replacing Adam Osborne, the founder, who remains as chairman.

In addition to portability, the Osborne I offered a highly attractive price with software included. More than 100,000 of the machines were sold in 1982, making Osborne a \$100-million company, according to some estimates. Analysts say, however, that the company has not been profitable.

Somewhat similar difficulties have befallen Grid Systems, which last year introduced the most technologically sophisticated portable computer. But the product, which sells for more than \$8,100, has not done as well as expected.

The company has brought in new management and revamped its product and marketing strategy. Glenn T. Edens, vice president of market development, said the strategy was working and that the company would record revenue of at least \$28 million in 1983 and be profitable by summer.

With technological advances occurring so rapidly, no company can expect to stay in the forefront for long. Mr. Fernandez of Gavilan said of his product: "It's been hard to get it there. Now it's even harder to keep it there."

## Rockwell Is Awarded Contract for Satellites

Los Angeles Times Service

LOS ANGELES — Rockwell International Corp. has won a \$1.2-billion Air Force contract to produce 28 navigational satellites at its division in Seal Beach, California. The contract will add about 200 jobs over the next five years, the division said.

The contract, awarded Friday, was described by the Air Force as the largest ever for satellite production. The satellites, to be launched beginning in 1986 from space simulators, are designed to provide locations for aircraft, ships, tanks, trucks and troops within an accuracy of 10 to 15 meters (33 to 49 feet), a Rockwell spokesman said.

## INTERNATIONAL EXECUTIVE POSITIONS

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

POSITION	SALARY	EMPLOYER	LOCAT.	QUALIFICATIONS	CONTACT	Source
ADMINISTRATIVE OFFICER	Up to £12,000	Int'l Corp.-Research Institute for the Sci. & Ind. Topics.	London, Eng.	Min. 10 yrs. exp. in finance, 3 yrs. adminstrative exp. in R&D, R&D topics.	Mr. Peter G. Johnson, ICRISI, Parkstone, P.O. Box 12, Princes Street, London, Eng.	I.R.T. 14-4-83
PROJECT DEVELOPMENT-OFFICER	Up to £12,000	Int'l Corp.-Research Institute for the Sci. & Ind. Topics.	London, Eng.	15-18 day. or Master in Engg. 10 yrs. exp. of captial project dev't. engg. Engg. Engr.	Mr. Peter G. Johnson, ICRISI, Parkstone, P.O. Box 12, Princes Street, London, Eng.	I.R.T. 14-4-83
GENERAL MANAGER	Up to £12,000	General Elec. Co. Int'l Corp.-Research Institute for the Sci. & Ind. Topics.	London, Eng.	Engg. in mechanical or process engineering with min. 10 yrs. work exp. of which 3 yrs. in Middle East; Engg. Engr.	Technology Industrial Consultants, P.O. Box 215, 5401 Baden, Switzerland.	I.R.T. 12-5-83
SENIOR VICE PRESIDENT	Up to £12,000	Int'l Corp.-Research Institute for the Sci. & Ind. Topics.	London, Eng.	15-20 yrs. of Int'l general exp. esp. exp. in Engg. in toy ind.; strong profit-oriented orientation.	Box 22001, International World Telecom, 32221 Neuilly Cedex, France.	I.R.T. 12-5-83
FINANCIAL ANALYST	Up to £12,000	Int'l Corp.-Research Institute for the Sci. & Ind. Topics.	London, Eng.	Bus. grad. requiring in finance, 25-30 yrs. exp. single Engg. + min. Engg. Engg. 2-3 yrs. of related financial exp.	Int'l. MBD 30022, 9th Fl., 97 Victoria Court, Road, W1V 0BB, Tel.: 01-6311444.	I.R.T. 12-5-83
TRAINING MANAGER	Up to £12,000	Int'l Corp.-Research Institute for the Sci. & Ind. Topics.	London, Eng.	Education exp. of industrial training at corporate level; appropriate prof. qual. exp. as sales, psychologist.	Int'l SA 60721, 8th Floor, 5401 Baden, Switzerland.	Sunday Times 15-5-83
SYSTEMS MANAGER Europe	Up to £12,000	Int'l Corp.-Research Institute for the Sci. & Ind. Topics.	London, Eng.	Strong tech. & systems mgr. with good communication skills; up to 5 yrs. exp. with IT and process applications.	Int'l. MBD 30022, 9th Fl., 97 Victoria Court, Road, W1V 0BB, Tel.: 01-6311444.	Sunday Times 15-5-83

## Spanish \$600-Million Loan Delayed a Week

By Carl Gewirtz  
*International Herald Tribune*

PARIS — A week after receiving the mandate to manage Spain's \$600-million Euroloan, Chase Manhattan Bank and Morgan Guaranty Trust are just beginning to approach other banks to join in forming the lead management group.

Spokesmen for the two banks attributed the week's delay to developing a strategy that would conform to the government's desire to maximize the portion of the loan tied to the cheaper London interbank offered rate as the base charge.

Lenders have the option to peg the loan charge to the prime rate, which is currently 10 1/4 percent. The six-month Libor rate is 9% percent.

The syndication strategy adopted by the two banks indicates that at least half the loan will be tied to

Libor. The objective is to do better than that, but the managers are not sure what the ultimate goal is.

To achieve this, all banks accepting to join as lead managers must agree to tie a minimum of 50 percent of their underwriting commitment to Libor. An underwriting fee of 0.15 percent will be paid.

In addition, the fees paid on the

officials have only just met with French Treasury officials to discuss details — maturity, currency composition and the like.

While France had announced months ago its intention to ask the EC for a loan, rumors in the market tied the timing to the withdrawal of half of the \$4 billion that Saudi Arabia is reported to have deposited with the Bank of France.

Meanwhile, bankers were arguing whether a portion of the loan would be denominated in European currency units, the Common Market's composite currency, and whether the dollar amount could be financed using only Libor or 1% points over the prime rate.

The \$600-million loan, which came into effect April 1, is aimed at promoting loan syndication activities in Singapore by requiring that the bulk of the financing documentation and other technical work be done out of Singapore.

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Daily prices are published in the newspaper "International Finance".

## Gold Options (prices in \$/oz.)

Month	May	Aug.	Nov.
40	9.60-12.00	—	—
42	10.00-12.00	14.50-19.50	—
44	10.50-12.50	20.00-25.00	—
46	10.00-12.00	20.00-25.00	—
48	10.50-12.50	25.00-30.00	—
50	10.00-12.00	25.00-30.00	—

## International Bond Prices—Week of May 19

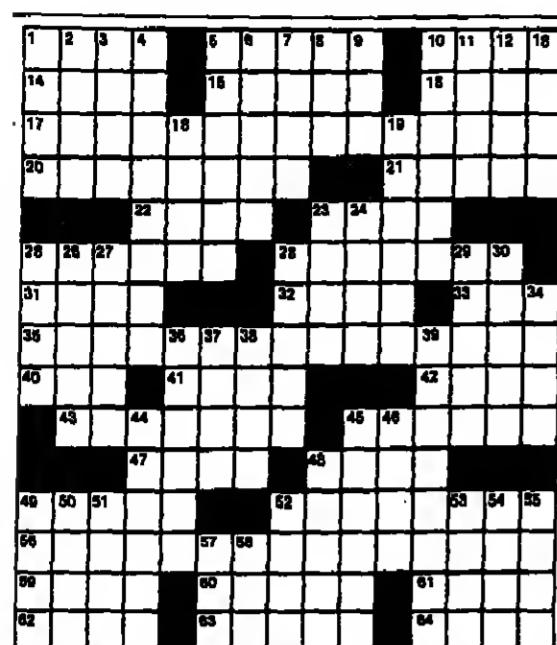
Provided by White Weld Securities, London, Tel.: 623 1277; a Division of Financière Credit Suisse—First Boston

(Continued from Page 10)

Am't	Security	Middle	Conv.	Conv.	Curr.	Middle	Conv.	Conv.	Curr.
Am't	Security	Price	Per Period	Conv. Pct.	Conv. Pct.	Price	Per Period	Conv. Pct.	Conv. Pct.
625 American Metrics 4.3%	15 May 82	120.375	2.00-1.00			120.375	2.00-1.00		
525 American Metrics 4.3%	5/16/83 May	148.00	1.00-0.50			148.00	1.00-0.50		
525 American Metrics 5.5%	5/16/84	132.00	1.00-0.50			132.00	1.00-0.50		
525 American Metrics 5.5%	5/16/85	125.00	1.00-0.50			125.00	1.00-0.50		
525 American Metrics 5.5%	5/16/86	120.00	1.00-0.50			120.00	1.00-0.50		
525 American Metrics 5.5%	5/16/87	115.00	1.00-0.50			115.00	1.00-0.50		
525 American Metrics 5.5%	5/16/88	110.00	1.00-0.50			110.00	1.00-0.50		
525 American Metrics 5.5%	5/16/89	105.00	1.00-0.50			105.00	1.00-0.50		
525 American Metrics 5.5%	5/16/90	100.00	1.00-0.50			100.00	1.00-0.50		
525 American Metrics 5.5%	5/16/91	95.00	1.00-0.50			95.00	1.00-0.50		
525 American Metrics 5.5%	5/16/92	90.00	1.00-0.50			90.00	1.00-0.50		
525 American Metrics 5.5%	5/16/93	85.00	1.00-0.50			85.00	1.00-0.50		
525 American Metrics 5.5%	5/16/94	80.00	1.00-0.50			80.00	1.00-0.50		
525 American Metrics 5.5%	5/16/95	75.00	1.00-0.50			75.00	1.00-0.50		
525 American Metrics 5.5%	5/16/96	70.00	1.00-0.50			70.00	1.00-0.50		
525 American Metrics 5.5%	5/16/97	65.00	1.00-0.50			65.00	1.00-0.50		
525 American Metrics 5.5%	5/16/98	60.00	1.00-0.50			60.00	1.00-0.50		
525 American Metrics 5.5%	5/16/99	55.00	1.00-0.50			55.00	1.00-0.50		
525 American Metrics 5.5%	5/16/00	50.00	1.00-0.50			50.00	1.00-0.50		
525 American Metrics 5.5%	5/16/01	45.00	1.00-0.50			45.00	1.00-0.50		
525 American Metrics 5.5%	5/16/02	40.00	1.00-0.50			40.00	1.00-0.50		
525 American Metrics 5.5%	5/16/03	35.00	1.00-0.50			35.00	1.00-0.50		
525 American Metrics 5.5%	5/16/04	30.00	1.00-0.50			30.00	1.00-0.50		
525 American Metrics 5.5%	5/16/05	25.00	1.00-0.50			25.00	1.00-0.50		
525 American Metrics 5.5%	5/16/06	20.00	1.00-0.50			20.00	1.00-0.50		
525 American Metrics 5.5%	5/16/07	15.00	1.00-0.50			15.00	1.00-0.50		
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525 American Metrics 5.5%	5/16/11	0.00	1.00-0.50			0.00	1.00-0.50		
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525 American Metrics 5.5%	5/16/17	0.00	1.00-0.50			0.00	1.00-0.50		
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525 American Metrics 5.5%	5/16/19	0.00	1.00-0.50			0.00	1.00-0.50		
525 American Metrics 5.5%	5/16/20	0.00	1.00-0.50			0.00	1.00-0.50		
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525 American Metrics 5.5%	5/16/25	0.00	1.00-0.50			0.00	1.00-0.50		
525 American Metrics 5.5%	5/16/26	0.00	1.00-0.50			0.00	1.00-0.50		
525 American Metrics 5.5%	5/16/27	0.00	1.00-0.50			0.00	1.00-0.50		
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525 American Metrics 5.5%	5/16/51	0.00	1.00-0.50			0.00	1.00-0.50		
525 American Metrics 5.5%	5/16/52	0.00	1.00-0.50			0.00	1.00-0.50		
525 American Metrics 5.5%	5/16/53	0.00	1.00-0.50			0.00	1.00-0.50		
525 American Metrics 5.5%	5/16/54	0.00	1.00-0.50			0.00	1.00-0.50		
525 American Metrics 5.5%	5/16/55	0.00	1.00-0.50			0.00	1.00-0.50		
525 American Metrics 5.5%	5/16/56	0.00	1.00-0.50			0.00	1.00-0.50		
525 American Metrics 5.5%	5/16/57	0.00	1.00-0.50			0.0			



## CROSSWORD



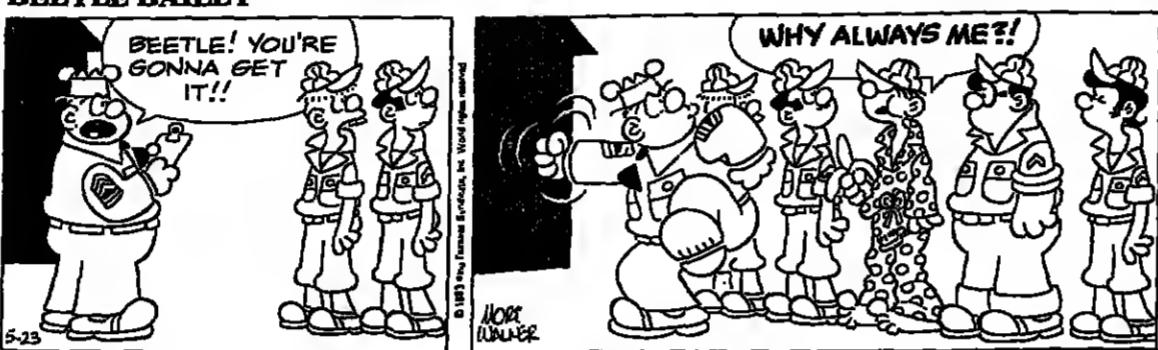
## PEANUTS



## BLONDIE



## BEETLE BAILEY



## ANDY CAPP



## WIZARD OF ID



New York Times, edited by Eugene Maleka.

## DENNIS THE MENACE



"MAYBE THE DIMES IN THIS OTHER POCKET."

## JUMBLE

Unsolvable this week. Our Jumbles, one letter to each square, to form four ordinary words.

AZERC

DAPIL

TOALZE

LUFFT

Print answer here: A

(Answers tomorrow)

Friday's Jumble: GAILY EMBED BEADLE  
Answer: What he did the day his wife gave birth—  
CRYED LIKE A BABY

## WEATHER

## EUROPE

	HIGH	LOW
Aberdeen	15	9
Amsterdam	15	11
Antwerp	15	11
Berlitz	22	14
Berlin	22	17
Bern	21	14
Bucharest	25	18
Budapest	25	18
Copenhagen	25	18
Cordoba	25	18
Dublin	12	14
Eindhoven	17	11
Florence	21	14
Frankfurt	19	11
Geneva	15	11
Helsinki	15	11
Istanbul	25	18
Las Palmas	25	18
Lisbon	25	18
Ljubljana	15	11
Madrid	15	11
Milan	25	18
Munich	25	18
Nicosia	25	18
Paris	15	11
Praha	25	18
Rome	25	18
Stockholm	19	14
Venice	24	18
Vienna	25	18
Vienna	25	18
Zurich	15	11

## ASIA

	HIGH	LOW
Bangkok	25	20
Beijing	21	15
Hong Kong	25	20
Kuala Lumpur	25	20
Manila	25	20
New Delhi	25	20
Singapore	25	20
Taipei	25	20
Tokyo	25	20

## AFRICA

	HIGH	LOW
Algiers	16	7
Cario	20	12
Cape Town	15	11
Conakry	15	11
Harare	15	11
Khartoum	15	11
Maputo	15	11
Monrovia	15	11
Tripoli	15	11
Tunis	15	11

## LATIN AMERICA

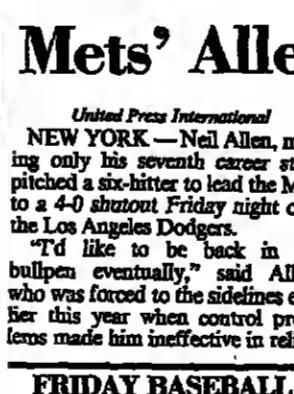
	HIGH	LOW
Buenos Aires	26	15
Caracas	25	15
Lima	25	15
Mexico City	22	15
Rio de Janeiro	25	15
Sao Paulo	25	15

## NORTH AMERICA

	HIGH	LOW
Anchorage	13	7
Boston	25	15
Calgary	21	15
Chicago	25	15
Detroit	23	15
Houston	25	15
Jacksonville	25	15
Montreal	25	15
Montreal	25	15
Montreal	25	15
New York	25	15
Seattle	25	15
St. Louis	25	15
Toronto	25	15
Washington	25	15



CUB COLLISION — Keith Moreland (left) and Ryne Sandberg of the Chicago Cubs collided in shallow right field Saturday while chasing a pop fly by Paul Householder of Cincinnati. Sandberg, a second baseman, dropped the ball, and Householder ended up at third base. Sandberg suffered a mild concussion.



## Mets' Allen, in a Rare Start, Blanks Dodgers

United Press International  
NEW YORK — Neil Allen, making only his seventh career start, pitched a six-hitter to lead the Mets to a 4-0 shutout Friday night over the Los Angeles Dodgers.

"I'd like to be back in the bullpen eventually," said Allen, who was forced to the sidelines earlier this year when control problems made him ineffective in relief.

Allen (2-4) scattered six singles, struck out a career-high seven and walked three in going the distance for the first time in his major-league career.

"I'm trying to establish a pitching rotation," George Bamberger, the Met manager, said. "With me using him as a starter it should stabilize our rotation a little more."

Hubie Brooks drove in two runs, with singles in the third and the fifth innings. Mookie Wilson also

singled home a run in the fifth and New York added its fourth run in the seventh on a wild pitch by loser Jerry Reuss (5-2).

The Mets were aided by some poor defensive play by the Dodgers, who committed two errors that led to two unearned runs and failed to make three other routine plays that contributed to Met runs. The Dodgers were shut out for the first time in 1982.

The Dodgers were shut out for the first time in his career.

In the eighth inning, the Mets' bats came alive. With two outs, the Mets scored three runs on a single by Brooks, a double by Wilson and a sacrifice fly by Brooks.

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## SPORTS

## Deputed Testimony Captures Preakness; Sunny's Halo 6th

By Steven Crist  
New York Times Service

**BALTIMORE** — Good spellers and serious horseplayers both received a jolt Saturday when a colt misnamed Deputed Testimony scored an easy 2½-length victory in the 106th Preakness Stakes at Pimlico Race Course and Sunny's Halo finished sixth as the 11-to-10 favorite.

Deputed Testimony lunged the rail from start to finish under Donald A. Miller Jr. and kept going when all the others floundered on the sloppy track in the stretch. Desert Wine, who led for the first mile, finished second, four lengths ahead of High Honors. Marfa finished another 1½ lengths back in fourth place and a head in front of Fly Fellow. It was another 2¾ lengths back to Sunny's Halo, who won the Kentucky Derby but lost Saturday by more than 11 lengths.

On Friday, a circuit court judge overruled the Maryland Racing Commission and cleared the way for Desert Wine and Marfa to run with the benefit of the jockeye Law, which the commission had ruled they could not use.

Judge Robert I. Hammerman of Baltimore Circuit Court, responding to a petition filed by Desert Wine's owners, Fred Sahadi and

Dan J. Agnew, said that the language defining eligibility was ambiguous and that the commission's interpretation of it was "arbitrary and capricious."

Deputed Testimony, coupled in the betting with Preakness, the colt who faded to finish eighth, paid \$31 for \$2 at the mutuel windows and covered the mile and three-sixteenths in 1:55 2-5. At New York City Off-Track Betting shop, where Deputed Testimony ran as a single betting interest, two-dollar bettors reaped \$75.60 on the winner.

This was not an artful Preakness, but instead was an uninspiring race in which Deputed Testimony appeared to win through racing luck and by default over a messy track that hemmed most of the runners.

Deputed Testimony is owned in partnership by Francis P. Sears, a Boston stockbroker, and Bonita Farm, a breeding operation near here that is owned by the Boniface family, which includes J. William Boniface, the winning trainer.

Boniface's father, William, was a longtime horse-racing reporter and editor with the Baltimore Sun papers. Deputed Testimony was born at Bonita and in fact spent all week stabled there instead of at the track. He was vanquished to Pimlico at 11:30 Saturday morning, only six hours before post time.

"I think the bump killed off his momentum and his confidence right away," said David Cross, Sunny's Halo's trainer. "The ride horses and I know how important that is. With everything that happened to him, he just didn't want to pack it in."

Sunny's Halo's sixth-place finish was the worst by a Derby winner in the Preakness since Dust Commander was ninth in 1970. Cross

said that the colt appeared to come out of the race unharmed and would probably run next in either the Belmont Stakes on June 11 or the Queen's Plate in Toronto on June 25.

The younger Boniface has acknowledged privately that someone at the farm made a couple of spelling mistakes in filling out the colt's foal application. Sears, however, has maintained with a straight face that it is a deliberate misnomer and even "more poetic" than Disputed Testimony. That presumably intended name follows from Deputed Testimony's breeding, which is by Traffic Cop out of Proof Requested.

That is as obscure and unfashionable a pedigree as has ever resulted in a Preakness winner. Traffic Cop stands at Bonita for a

four-year-old gelding.

Dennis Lamp that banded the White Sox their third loss in four games.

Red Sox 11, Twins 4

In Boston, Wade Boggs, Gary Allison and Dave Stapleton each drove in three runs and Jerry Reamy had two RBIs as the Red Sox pounded Minnesota, 11-4. Rob Ojeda pitched a seven-hitter to raise his record to 2-1 in posting only the fourth complete game by a Boston pitcher this season.

Tigers 5, Rangers 4

In Detroit, Clet Lemon singled in two runs and Alan Trammell followed with an RBI single in the seventh as the Tigers beat Texas, 5-3. Dan Percy went the first seven innings and raised his record to 4-2 with the help of Aurelio Lopez's fourth save of the season.

Vance 1, A's 0

In Oakland, California, Dave Winfield singled in Willie Randolph from second base with one out in the top of the ninth and Shane Rawley and Goose Gossage combined on a sacrifice to lead New York to a 1-0 victory over Oakland. Winfield's hit was only the fourth off Mike Norris (4-4).

Indians 9, Angels 3

In Anaheim, California, George Yukovich, who was batting .105, tripled and doubled to enable Cleveland to break a five-game losing streak with a 9-3 rout of the California Angels. Bert Blyleven (4-4) gave up five hits in 6½ innings, before he had to leave the game with a cramp in his right

hand.

Royals 8, White Sox 4

In Kansas City, Missouri, Hal McRae hit two doubles, drove in two runs and scored two others to lift Steve Renko (3-3) and the Royals to a 8-4 victory over Chicago. McRae paced a 14-hit assault against Floyd Bannister (2-5) and

the White Sox their fifth loss in six games.

### BASEBALL ROUNDUP

pitching categories, including victories (eight), ERA (1.04) and complete games (six). He struck out four and walked one in his second shutout of the season. He has lost just two games.

Toronto took a 1-0 lead in the second when Griffin's single off loser Sammy Stewart (2-2) scored Barry Bounelli, who singled and stole second-base. The Blue Jays made it 4-0 in the fourth on four extra-base hits. Lloyd Moseby led off with a double and one out later scored on Garth Iorg's double. Griffin then tripled in long, and Rance Mulliniks' double scored Griffin.

Toronto stretched its lead to 6-0 in the sixth on Wille Upshaw's RBI single and Moseby's bases-loaded walk off Dan Moreglio.

Fabri 8, White Sox 4

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the White Sox their fifth loss in six games.

Fabri became the first rookie to sit on the pole since Walt Faulkner started first in 1950. "When I do something, I like to do it very well," the 27-year-old Fabri said. The last person to win in his first Indy race was Graham Hill in 1966.

Arias Upsets Higueras in Rome

**ROME (AP)** — Jimmy Arias upset top-seeded José Higueras of Spain, 6-2, 6-1, 6-4, to win the Italian Open tennis championship on Sunday. The 18-year-old American, whose explosive inside-out forehand left the 30-year-old Higueras swinging at this air frequently during rallies, used his skill at hitting the far corners of the red clay court to keep Higueras at bay.

A sparse crowd of less than 5,000 watched the 3-hour match played in burning sunshine with temperatures in the 80s (high 20s Centigrade). It was the Arias' biggest tournament success, and it gave the 18-year-old American consecutive victories on the circuit. He won a tournament in Florence, Italy, last weekend.

Arias had advanced earlier when José Luis Clerc was disqualified from singles after defaulting in doubles. "I was lucky not to play a match against a top player," Arias later acknowledged.

Colbert, Pooley Share Golf Lead

**ATLANTA (AP)** — Jim Colbert, who broke a three-year victory drought last weekend, shot a 5-under-par 67 on Saturday that tied him with Don Pooley for the lead after the second round of the rain-shortened Atlanta Golf Classic.

Pooley birdied three of the last four holes to complete 66 in the mild, calm conditions of the afternoon and matched Colbert's 136 total for 36 holes, 8-under-par for two trips over the rain-slickened hills of the Atlanta Country Club course.

The tournament was cut to a three-day, 54-hole format when heavy, steady rains washed out Thursday's play. It was to conclude Sunday, weather permitting, with a single round of 18 holes.

Bandits Defeat Invaders in USFL

**TAMPA, Florida (AP)** — Mike Kelley, making his first professional start since 307 yards and two touchdowns Saturday night to lead the Tampa Bay Bandits to a 29-13 victory over the Oakland Invaders.

Kelley, elevated to the No. 1 job because of injuries to John Reeves and Jimmy Jordan, completed 21 of 40 passes and also set up field goals of 25, 26 and 38 yards by Zenon Andruszynski.

The victory was Tampa Bay's second in 13 days over the 5-7 Invaders and boosted the Central Division leaders' record to 9-3. Oakland fell a half-game behind Los Angeles in the Pacific Division.

Since Mitchell had averaged 27.4 points in the first five games of the series — shooting 55 percent from the field — the Lakers decided to give Kurt Rambis help against him in this game.

The heat came in the form of Abdul-Jabbar, who double-teamed Mitchell whenever he got the ball. But that meant that Johnson had to leave Banks to guard Gilmore. "You can't guard all of them," Riley said.

Gilmore still had a big night. He made 11 of 16 shots and scored 24 points, 16 of them in the second half. Gervin led the Spurs with 25, and Mitchell finished the game with 17.

The Lakers won, 101-100, to advance to the National Basketball Association championship series for the third time in the last four years. They were to open against the 76ers in Philadelphia on Sunday.

It was the Lakers' fourth victory over San Antonio in six games — their third in San Antonio — and it gave them the Western Conference championship. But this was the most difficult game of them all.

When it was over, Cooper, who played more than half of his 30

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## LANGUAGE

### On the 'Other' Hand

By William Safire

**WASHINGTON** — What's in a word? Recognition, if you're not careful. In a conference with six reporters, Ronald Reagan caught one of his own mistakes before it had a chance to become a gaffe. Asked about his plans to proceed in Middle East negotiations without the PLO, the president replied: "That would require, of course, the agreement of the other Arab states." Instantly, he went back a few words and corrected that to "of the Arab states." Letting "other" stand would have presumed the PLO to be an Arab state; in catching his error first, he showed fast foot.

In the same meeting, as he was talking about the undue play given to the switch from *curb* to *half* in the bishops' pastoral letter, the president talked of the time when civilians were not targets "because Hitler invented total war." He was almost right on the phraseology.

\* \* \*

**Total war** — the phrase, if not the activity — was popularized in 1935 by a book, "Der Total Krieg," by General Erich Ludendorff, who had been a German strategist in World War I. In Ludendorff's use, "total war" did not mean "directed at civilians" or even "more ferocious than usual"; rather, he had in mind *Wirtschaftskrieg*, or "war economy," the mobilization of a nation's entire economy behind the war effort. During World War II, the meaning of the phrase changed to its current "all-out war, including the targeting of civilian populations."

Reagan was especially careful when it came to labeling the group (often called *the contras*, from the Latin for "against"), fighting against the Sandinist regime in Nicaragua and the group (usually called *guerrillas*) fighting against the government of El Salvador.

Speaking about the anti-Sandinist *contras* in Nicaragua, Reagan objected to "enforcing restrictions on the freedom fighters as what tactics they could use." When a reporter quipped and said, "All of a sudden now we're aiding 'freedom fighters,'" I thought we were just interfering supplies," the president pressed home the phrase: "I just used the word, I guess, *freedom fighters* because . . . the thing that brought those people together

New York Times Service

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## Nadine Gordimer

*Series of Films of Her Short Stories  
Are a Portrait of South Africa*
By Joseph Lelyveld  
*New York Times Service*

**JOHANNESBURG** — Nadine Gordimer, South Africa's foremost novelist by any reckoning, was not bowled over when a producer of educational television film from Munich appeared on her doorstep in a sedate white neighborhood with a proposition for putting some of her short stories on film. Earnest visitors from the West, with a sudden urge to get involved in the intense morality play that is everyday reality here, show up occasionally in Gordimer's fiction and more frequently in her life; typically the impulse that brings them expires with their visas.

The thing I dislike about films is the big talk, the hot air," she said in a conversation over tea in her living room. "I'm not used to that. As a writer, you just sit down with your bit of paper, and when it's finished, you take it to the publisher. At least, that's how I work."

Unexpectedly, however, the producer from Munich returned with enough backing to start shooting some of the films they had discussed. Even more important, he was still prepared to give legal force to conditions she had set: that the directors and authors of the screenplays would be South Africans of her choosing; and that the series would have to be shown without cuts by any broadcasting company that purchased it, a condition that purchase held out for a mix, suggesting several stories from early collections.

Outsiders unfamiliar with the ambiguous interplay of authoritarianism and freedom of expression in South Africa may find it hard to believe that the films could have been shown, let alone made. But five were filmed in authentic settings and passed by the censors uncut, for showing to at least nominally multiracial audiences, at film festivals under licenses that set an age restriction on the audience and limited the number of times they could be shown to three per festival.

"It reminded me very much of Waclaw's experience in Poland," Gordimer said. "The authorities



Nadine Gordimer: "Real films about our way of life."

are real films about our way of life," the novelist said.

Not surprisingly, all the stories touch on race issues — an obsession not of the writer but the country — but the focus shifts from white to black, urban to rural and more subtly, from innocence to entanglement in the underlying conflict. The German producers wanted to pick stories that were as overtly political and contemporary as possible. Gordimer held out for a mix, suggesting several stories from early collections.

Under the new system, three of the films — "Country Lovers," "City Lover" and "A Clip of Glass Ruby" — have already been banned for general release. The ban on "Clip," a portrayal of the tension in an Indian family between traditional values and modern political activism, was upheld in an appeal court, which means it cannot even be questioned again for two years.

There is still a slender hope that the other two films that have been banned may yet be given a well-argued appeal, although they deal explicitly with violations of the Immorality Act, the law that makes sex between a white and a nonwhite a crime.

Making the films absorbed a year of her writing life. The only film that was neither shot nor shown in South Africa was "Oral History," the story of villagers caught in the middle of a bush war in a country that could be the Rhodesia of five years ago, the Namibia of today, or the South Africa of several years from now. After permission to film in Zimbabwe had been refused by the Mugabe government, it was finally shot in Kenya by a British director with the writer Ngugi Wa Thiong'o.

"We all agreed that you couldn't shoot 'Oral History' here," Gordimer said. "You could have been stopped in five minutes."

"People say, How did you make them? How did you make 'City Lovers'? Part of the answer is no publicity," Gordimer said. "We really did them very, very quietly."

South African audiences of any hue would be stunned to see a white youth kiss a black girl in the setting of a farm in the rock-ribbed Orange Free State as happens in "Country Lovers." Gordimer admits to having been slightly shocked herself when Manie van Rensburg, a rising young Afrikaner director to whom she entrusted her screenplay, told her he had arranged to shoot it on location on a Free State farm.

In "City Lovers," it isn't the brief bedroom scenes between an improbably matched foreigner of late middle age and a lovely young woman of the mixed-race group called colored that might shock audiences. It's the unsparing manner in which the film portrays the placid policemen who finally catch them in a raid, showing that the real obscenity is in the dimpled and cynical enforcement of the law.

Gordimer's forthrightness, a quality of mind, unfinching and disciplined, is reflected in her art. Occasionally, the reader senses an element of self-caricature, as when she described, in a story written nearly three decades ago, a black man puzzling over the phenomenon of such "bristling, sharp, all-seeing, knowing wretches."

The South African system makes it necessary to reapply to the censor for a permit for each film festival. Now it is apparently being tightened to insure that films that are deemed unsuitable for general release won't slip through at festivals, as the Gordimers have.

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## BRAZIL POSTCARD

### The Amazon Opera

By Kenneth Freed

*Los Angeles Times Service*

MANAUS, BRAZIL — There was

nothing like it in its day, and perhaps there isn't — a gilded opera house in the midst of a jungle, where the music was more commonly provided by parrots and monkeys screeching in the trees.

In the 1930s, the Teatro Amazonas was "a people's theater," in the words of its director, a place where school children put on plays about the Manaus Free Trade Zone and a college choir sings Villa Lobos, in voices a half-tone flat.

The fan was considerably different in the decade and a half that followed the opening of the open-air opera house on Dec. 31, 1896.

The voices of Emilio Caruso and Europe's other leading singers filled the acoustically perfect hall.

It did not matter that the 632 plush seats were occupied by rich but largely illiterate men and women. The open house was still a jewel, a creation of what the new rich thought their wealth should reflect.

Ten years and \$10 million were required to build this scaled-down copy of Milan's famed La Scala. The iron frame was fabricated in Scotland and shipped across the Atlantic and up the Amazon River to Manaus, then a city of 50,000 people dominated by 60 men who monopolized the world's rubber trade.

Silk wall panels were imported from China, marble floors from Portugal. Chandelles were brought in from Venice. European painters were hired to create murals that along with murals, decorated the concert hall.

And there is no money, Lindoso says. The theater runs a deficit of the equivalent of more than \$4,000 a month, and its budget has been cut.

Officials in Brasilia, the federal capital, plead poverty and say it is now a master to be dealt with by the state and city.

So it seems that the place once